

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF OHIO
3 EASTERN DIVISION

4 IN RE: NATIONAL) MDL No. 2804
5 PRESCRIPTION OPIATE)
6 LITIGATION) Case No.
7 THIS DOCUMENT RELATES TO) 1:17-MD-2804
8 ALL CASES)
9)

10 SUBJECT TO FURTHER CONFIDENTIALITY REVIEW

11

12 VIDEOTAPED DEPOSITION OF
13 TOMSON GEORGE
14 January 14, 2019

15

16 Chicago, Illinois

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21

22 GOLKOW LITIGATION SERVICES

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Page 2	Page 4
1	1 ON BEHALF OF CARDINAL HEALTH, INC.: 2 WILLIAMS & CONNOLLY LLP 3 725 Twelfth Street, N.W. 4 Washington, DC 20005 5 202-434-5013 6 BY: KATELYN ADAMS, ESQ. 7 kadams@wc.com
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4	17 ALSO PRESENT: 18 KATIE MAYO, Paralegal 19 kmayo@levinlaw.com 20 Levin Papantonio Thomas Mitchell 21 Rafferty & Proctor P.A. 22 RODERRICK CONCEPCION, Trial Technician 23 VIDEOTAPED BY: BEN STANSON 24 REPORTED BY: CORINNE T. MARUT, C.S.R. No. 84-1968
Page 3	Page 5
1 APPEARANCES: 2 ON BEHALF OF THE PLAINTIFFS: 3 LEVIN PAPANTONIO THOMAS MITCHELL 4 RAFFERTY & PROCTOR P.A. 5 316 South Baylen Street, Suite 600 6 Pensacola, Florida 32502 7 205-396-3982 8 BY: JEFF GADDY, ESQ. 9 jgaddy@levinlaw.com 10 LAURA DUNNING, ESQ. 11 ldunning@levinlaw.com 12 (via livestream) 13 ON BEHALF OF WALGREENS BOOTS ALLIANCE, INC. 14 aka WALGREEN CO.: 15 BARTLT BECK LLP 16 54 West Hubbard Street, Suite 300 17 Chicago, Illinois 60654 18 312-494-4475 19 BY: PETER B. BENSINGER, JR., ESQ. 20 Peter.Bensinger@BartlitBeck.com 21 ON BEHALF OF ENDO HEALTH SOLUTIONS INC. and 22 ENDO PHARMACEUTICALS, INC., 23 PAR PHARMACEUTICAL, INC., and PAR PHARMACEUTICAL 24 COMPANIES, INC. (f/k/a Par Pharmaceutical Holdings, Inc.): 25 ARNOLD & PORTER KAYE SCHOLER LLP 26 601 Massachusetts Avenue, NW 27 Washington, DC 20001-3743 28 202-942-5000 29 BY: ERICA I. GUTHRIE, ESQ. 30 erica.guthrie@arnoldporter.com 31 (via telephone/livestream)	1 I N D E X 2 TOMSON GEORGE EXAMINATION 3 BY MR. GADDY..... 10 4 5 6 E X H I B I T S 7 WALGREENS-GEORGE EXHIBIT MARKED FOR ID 8 No. 1 Resume of Tomson George, RPh 11 9 No. 2 Document, U.S. DOJ, DEA, 22 10 Diversion Control Division, Title 21 Code of Fed. 11 Regulations, Part 1301; P-GEN-0010 12 No. 3 5/16/14 e-mail string; 47 WAGMDL00333310 - 00333313 13 No. 4 7/12/12 e-mail; WAGMDL00662135 69 14 No. 5 Binder of documents, 73 15 "Settlement and Memorandum of Agreement" with various 16 documents, P-WAG-0001 17 No. 6 Document, "Staff Pharmacist 117 Bonus Program"; P-WAG-01005 18 No. 7 Document, "Pharmacy Manager 126 Bonus Program"; WAG00000001 - 00000005 19 No. 8 Document, "Senior Certified 132 Technician Bonus Plan Details"; P-WAG-01005 20 21 22 23 24

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1	E X H I B I T S			1 E X H I B I T S
2	WALGREENS-GEORGE EXHIBIT	MARKED FOR ID		2 WALGREENS-GEORGE EXHIBIT MARKED FOR ID
3	No. 9 2/19/13 e-mail with attachment; WAGMDL00574919 - 00574926	137		3 No. 30 8/10/12 e-mail string; WAGMDL00334305 - 00334308
4	No. 10 12/11/17 e-mail with attachment; WAGMDL00334471 - 00334495	152		4 No. 31 8/30/12 e-mail string with attachment; WAGMDL00678523 - 00678540
5	No. 11 12/23/13 e-mail string with attachment; WAGMDL00267660 - 00267667	159		5
6	No. 12 Document, "OxyContin: Its use and abuse: Hearing before the Subcommittee on Oversight and Investigations," etc., August 28, 2001"; P-GEN-0047	164		6
7	No. 13 Press release, July 1, 2011, "State Surgeon General Declares Public Health Emergency Regarding Prescription Drug Abuse Epidemic"; P-GEN-00126	171		7
8	No. 14 Florida Dept. of Health 2010-2011 PDMP Annual Report; P-GEN-00127	175		8
9	No. 15 7/6/11 e-mail to All FL Pharmacies; WAGFLDEA00000383	185		9
10	No. 16 10/22/11 e-mail string; WAGFLDEA00000403 - 00000405	191		10
11	No. 17 7/2/12 e-mail string; WAGMDL00441530 - 00441537	202		11
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1	E X H I B I T S			1 THE VIDEOGRAPHER: We are now on the record.
2	WALGREENS-GEORGE EXHIBIT	MARKED FOR ID		2 My name is Ben Stanson. I'm a videographer for
3	No. 18 11/27/12 e-mail string; WAGMDL00440895 - 00440897	208		3 Golkow Litigation Services.
4	No. 19 5/29/13 e-mail string; WAGMDL00330437 -- 00330443	216		4 Today's date is January 14, 2019, and
5	No. 20 U.S. GAO Report, "Prescription Drugs, State Monitoring Programs Provide Useful Tool to Reduce Diversion"; P-GEN-0055	231		5 the time is 9:01 a.m.
6	No. 21 10/2/08 Colorado US Attny Office article; P-GEN-0075	238		6 This video deposition is being held in
7	No. 22 5/23/12 e-mail string; WAGMDL00614056 - 00614059	242		7 Chicago, Illinois in the matter of the National
8	No. 23 5/24/12 e-mail string; WAGMDL00617478 - 00617481	246		8 Prescription Opiate Litigation, MDL No. 2804,
9	No. 24 9/25/12 e-mail string; WAGMDL00517021 - 00517023	256		9 pending in the U.S. District Court, Northern
10	No. 25 3/8/13 e-mail string; WAGMDL0000533039 - 0053304	259		10 District of Ohio, Eastern Division.
11	No. 26 9/10/12 e-mail string; WAGMDL00517040 - 00517044	262		11 The deponent is Tomson George.
12	No. 27 11/13/14 e-mail string with attachment; WAGMDL0000015270 - 00015272	266		12 Will counsel please identify yourselves
13	No. 28 Lobby Report; P-WAG-00040	271		13 for the record.
14	No. 29 8/7/12 e-mail string; WAGMDL00331103 - 0033110	283		14 MR. GADDY: Jeff Gaddy for the Plaintiffs.
15				15 MR. BENSINGER: This is Peter B. Bensinger,
16				16 Jr. of Bartlit Beck for Defendant Walgreens.
17				17 MR. QUELLHORST: Good morning. Scott
18				18 Quellhorst, Jones Day, on behalf of Walmart.
19				19 MS. ADAMS: Kate Adams, Williams & Connolly,
20				20 on behalf of Cardinal Health.
21				21 MR. SCHUCHARDT: Margaret Schuchardt from
22				22 Jaszcuk PC on behalf of AmerisourceBergen Drug
23				23 Corporation.
24				24 MR. GADDY: Do we have any folks on the phone?

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<p>1 MS. GUTHRIE: Erica Guthrie of Arnold & Porter 2 on behalf of the Endo and Par Defendants.</p> <p>3 THE VIDEOGRAPHER: Thank you. Our Court 4 Reporter today is Corinne Marut. Will you please 5 swear in the witness.</p> <p>6 (WHEREUPON, the witness was duly 7 sworn.)</p> <p>8 TOMSON GEORGE, 9 called as a witness herein, having been first duly 10 sworn, was examined and testified as follows:</p> <p>11 EXAMINATION 12 BY MR. GADDY:</p> <p>13 Q. Good morning, Mr. George. 14 A. Good morning. 15 Q. State your name, please. 16 A. First name is Tomson. My last name is 17 George. 18 Q. And you work at Walgreens, correct? 19 A. Yes, I do. 20 Q. What's your current title? 21 A. Senior manager of professional affairs. 22 Q. When did that become your title? 23 A. January 2015. Sorry. I think 24 January 2016. I apologize.</p>	<p>1 Q. Okay. So, on the back, I want to see if 2 I can get an understanding of what you're doing 3 now.</p> <p>4 A. Okay.</p> <p>5 Q. So, senior manager of professional 6 affairs?</p> <p>7 A. Um-hmm.</p> <p>8 Q. Do you still work here in Deerfield, 9 Illinois?</p> <p>10 A. Yes, I do.</p> <p>11 Q. And describe for me your duties in your 12 current role.</p> <p>13 A. Yeah, I would summarize my duties really 14 into three different buckets at this time. I do 15 serve as the program director for the Walgreens 16 pharmacy technician training program.</p> <p>17 I also oversee the monitoring of our 18 pharmacists licensure and technician licensure. 19 And then, lastly, I do serve as a liaison to Boards 20 of Pharmacies in a few of the Midwestern states.</p> <p>21 Q. Can you kind of give me a range 22 state-wise?</p> <p>23 A. Probably mostly neighboring Illinois. 24 So, that would be like a Missouri, Wisconsin,</p>
<p>1 Q. Sure. I'm going to show you what I've 2 marked as Exhibit No. 1. Excuse me for throwing it 3 at you.</p> <p>4 (WHEREUPON, a certain document was 5 marked as Walgreens-George Exhibit 6 No. 1: Resume of Tomson George, 7 RPh.)</p> <p>8 BY MR. GADDY:</p> <p>9 Q. Do you recognize this as a copy of your 10 resume?</p> <p>11 A. This is a copy of a resume that I 12 probably had some time ago.</p> <p>13 Q. Okay. That was going to be my -- my 14 next question. How up to date is this?</p> <p>15 A. This is probably the resume I had back 16 in 2015.</p> <p>17 Q. Okay.</p> <p>18 A. Prior to my 2016 promotion, so to speak.</p> <p>19 Q. Okay. So, we'll jump into some of the 20 details in a minute. But if I was to look at the 21 first segment under "Experience," would it be 22 accurate to change "7/2008 to present" to "7/2008 23 till December 2015"?</p> <p>24 A. Yeah, absolutely.</p>	<p>1 Indiana, Ohio, Michigan, and also I think randomly 2 Delaware.</p> <p>3 Q. Okay. And you've been in that position 4 since?</p> <p>5 A. January 2016.</p> <p>6 Q. Since January '16. So, just over two 7 years?</p> <p>8 A. Three years.</p> <p>9 Q. Three years.</p> <p>10 A. Yeah, three years.</p> <p>11 Q. Sure. Yes, three years.</p> <p>12 In your current position do you have any 13 duties that encompass suspicious order monitoring?</p> <p>14 A. No.</p> <p>15 Q. In your current duties do you -- or 16 excuse me.</p> <p>17 In your current position do you have any 18 duties involving dispensing policies?</p> <p>19 A. Yes.</p> <p>20 Q. Would that be related to the training 21 that you do with the pharmacy technicians or the 22 licensures?</p> <p>23 A. Not directly. Yeah, I mean, not with 24 regards to that, no.</p>

<p style="text-align: right;">Page 14</p> <p>1 Q. Okay. In what -- in what way do your 2 current duties involve Walgreens' dispensing 3 policies?</p> <p>4 A. I will sit on a policy committee, 5 internal policy committee, which will review any 6 proposed updates or establish new policies at the 7 company.</p> <p>8 Q. Who else is on that committee?</p> <p>9 A. It's hard for me to come up with a 10 comprehensive list, but in general there is 11 representatives from pharmacy legal, pharmacy 12 compliance, our pharmacy operations group.</p> <p>13 Q. Who chairs the committee?</p> <p>14 A. A gentleman, Adam Kielbasa is the 15 current chair.</p> <p>16 Q. Are there folks from the Pharmaceutical 17 Integrity team on that committee?</p> <p>18 A. Not -- not specifically, no.</p> <p>19 Q. When I say "Pharmaceutical Integrity," 20 do you know what group I'm referring to within 21 Walgreens?</p> <p>22 A. Yes.</p> <p>23 Q. You spent your entire career with 24 Walgreens, correct?</p>	<p style="text-align: right;">Page 16</p> <p>1 pharmacy technician.</p> <p>2 Q. Okay. And you did that for two years 3 and then upon graduation became a pharmacist?</p> <p>4 A. That's correct.</p> <p>5 Q. You list on here pharmacist and pharmacy 6 manager. Is that the same position or different?</p> <p>7 A. A little bit different. When I first 8 graduated, my primary role was pharmacist. I was 9 promoted to pharmacy manager in I believe April of 10 2004.</p> <p>11 Q. Did you stay at the same store?</p> <p>12 A. I did work in a few different locations, 13 actually.</p> <p>14 Q. Okay. When you were a pharmacy manager, 15 did you also work as a pharmacist?</p> <p>16 A. Yes.</p> <p>17 Q. Okay. Would it be fair to say that the 18 pharmacy manager is essentially the head 19 pharmacist?</p> <p>20 A. That's correct, yeah.</p> <p>21 Q. Okay. So, prior to -- prior to I think 22 you said '04 when you were promoted to pharmacy 23 manager, you were a pharmacist within a Walgreens 24 store working under another pharmacist who was the</p>
<p style="text-align: right;">Page 15</p> <p>1 A. After college, yes.</p> <p>2 Q. And you started, and I'm going back to 3 the -- to your resume, and it looks like the lower 4 entry under "Experience," you started in 5 September 2000. Would that be after you graduated 6 from school?</p> <p>7 A. Yes, correct.</p> <p>8 Q. Did you go to pharmacy school?</p> <p>9 A. Yes, I did.</p> <p>10 Q. And you did your undergraduate and 11 pharmacy school at Rutgers?</p> <p>12 A. That's correct.</p> <p>13 Q. How long of a program is the pharmacy 14 school?</p> <p>15 A. At the time that I attended, it was a 16 total of five years.</p> <p>17 Q. Is it the same now?</p> <p>18 A. No.</p> <p>19 Q. What is it now?</p> <p>20 A. Generally it's six years.</p> <p>21 Q. And it looks like your first position 22 within Walgreens was as a pharmacist?</p> <p>23 A. You know, I actually did start while I 24 was in pharmacy school in September of 1998 as a</p>	<p style="text-align: right;">Page 17</p> <p>1 pharmacy manager?</p> <p>2 A. Yeah.</p> <p>3 Q. Okay. From 2000 to 2006 while you were 4 working as a Walgreens pharmacist, did you have the 5 occasion to dispense Schedule II and III narcotics?</p> <p>6 A. Yes.</p> <p>7 Q. And as a Walgreens pharmacist were there 8 federal rules and regulations that governed your 9 dispensing of Schedule II and III narcotics?</p> <p>10 A. Yes.</p> <p>11 Q. Did that include things such as your 12 obligation as a pharmacist to determine that the 13 prescriptions for those Schedule II and III 14 narcotics that you were filling were medically 15 necessary?</p> <p>16 MR. BENSINGER: Objection; calls for a legal 17 conclusion. You may answer.</p> <p>18 BY THE WITNESS:</p> <p>19 A. I mean, the best way I can really 20 summarize it is we'd be dispensing controlled 21 substance prescriptions in compliance with state 22 and federal laws.</p> <p>23 BY MR. GADDY:</p> <p>24 Q. Okay. Was one of the state and federal</p>

<p style="text-align: right;">Page 18</p> <p>1 laws that you had to comply with, did it involve 2 you as a pharmacist having to make a determination 3 that any Schedule II or III drug prescription that 4 you were filling, you had to make a determination 5 that it was medically necessary?</p> <p>6 A. I think we would characterize -- I would 7 characterize it more specifically that we were 8 trying to make sure the prescription was valid and 9 if there was any question, we'd contact the 10 physician, for example, to help verify the validity.</p> <p>11 Q. If there was any question about whether 12 or not the prescription was valid?</p> <p>13 A. Um-hmm.</p> <p>14 Q. Okay. And I'm picking on you. You got 15 to say yes or no.</p> <p>16 A. Yes.</p> <p>17 Q. Okay. So, to you, is there a difference 18 between whether or not a prescription is medically 19 necessary and whether or not a prescription is 20 valid?</p> <p>21 A. Yeah, I think there are two different 22 components to that.</p> <p>23 Q. Okay. So, you've told us that one of 24 your duties as a Walgreens pharmacist was to</p>	<p style="text-align: right;">Page 20</p> <p>1 that was given to you was medically necessary?</p> <p>2 A. That's something we learned in pharmacy 3 school. Upon graduation, that's knowledge that we 4 already took into the position. And then I think 5 within that, you know, obviously as we are working 6 with pharmacists, as a technician, as a graduate 7 intern, those are things that are called out.</p> <p>8 There wasn't a formal training as you would, you 9 know, maybe incur today. So, it's a little bit 10 different.</p> <p>11 Q. So, no formal training program that you 12 can recall from your time as a Walgreens pharmacist 13 dealing with determining that prescriptions for 14 controlled drugs were medically necessary before 15 you filled those prescriptions, is that accurate?</p> <p>16 A. Nothing standardized in that sense, 17 yeah.</p> <p>18 Q. During your time as a Walgreens 19 pharmacist, did your stores -- I think you said you 20 worked at several different stores?</p> <p>21 A. Um-hmm.</p> <p>22 Q. Did your stores receive its Schedule II 23 and III controlled drugs from a Walgreens 24 distribution center?</p>
<p style="text-align: right;">Page 19</p> <p>1 determine or try to verify that a prescription was 2 valid, correct?</p> <p>3 A. Yep.</p> <p>4 Q. As a -- the six or seven years that you 5 were a Walgreens pharmacist, was one of your duties 6 to determine that a prescription for a Schedule II 7 or III drug was medically necessary?</p> <p>8 MR. BENSINGER: Objection; calls for a legal 9 conclusion. You can answer.</p> <p>10 BY THE WITNESS:</p> <p>11 A. I mean, I think it's a little bit hard 12 to say. I think it's part of the phone call that 13 we called to the physician. I can't say it's to 14 the same extent that someone would call to verify 15 medical necessity in today's environment.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. Okay. Let me ask it this way.</p> <p>18 A. Sure.</p> <p>19 Q. I know this is going back almost 20 20 years. But do you recall as you sit here today any 21 training or education that was provided to you by 22 Walgreens on -- during your days as a Walgreens 23 pharmacist on how to make any determinations about 24 whether or not a prescription for a controlled drug</p>	<p style="text-align: right;">Page 21</p> <p>1 A. Yes.</p> <p>2 Q. The entire time that you were a 3 pharmacist?</p> <p>4 A. Yes.</p> <p>5 Q. Now, are you aware that there's a 6 different set of federal rules and regulations that 7 apply to Walgreens distribution of Schedule II and 8 III controlled drugs as opposed to dispensing?</p> <p>9 A. Generally, yes.</p> <p>10 Q. Do you have a specific understanding of 11 those rules and regulations --</p> <p>12 A. No.</p> <p>13 Q. -- related to distribution?</p> <p>14 A. No.</p> <p>15 MR. BENSINGER: Mr. George, if you would 16 permit Mr. Gaddy to fully complete his question 17 before you begin to answer. That will assist our 18 Court Reporter and make for a cleaner record, 19 please.</p> <p>20 BY MR. GADDY:</p> <p>21 Q. I'm going to show you what I'm going to 22 mark as Exhibit 2.</p> <p>23 (WHEREUPON, a certain document was 24 marked as Walgreens-George Exhibit</p>

Page 22	Page 24
<p>1 No. 2: Document, U.S. DOJ, DEA, 2 Diversion Control Division, Title 3 21 Code of Fed. Regulations, Part 4 1301; P-GEN-0010.)</p> <p>5 BY MR. GADDY:</p> <p>6 Q. Mr. George, I will represent to you this 7 is a printout from the DEA website. Do you 8 recognize that logo at the top?</p> <p>9 A. Yes.</p> <p>10 Q. Okay. And do you see at the top where 11 it says, "U.S. Department of Justice."</p> <p>12 MR. GADDY: This is P-GEN-10, Rod. P-GEN-10.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. And do you see it says at the top, it's 15 a little bit faded, but it says "Title 21, Code of 16 Federal Regulations" at the top there?</p> <p>17 A. Yes, I do.</p> <p>18 Q. And below that it says, "Part 1301, 19 Registration of Manufacturers, Distributors and 20 Dispensers of Controlled Substances."</p> <p>21 Do you see that?</p> <p>22 A. Yes.</p> <p>23 Q. During the course of your time at 24 Walgreens, have you familiarized yourself with any</p>	<p>1 orders of unusual frequency."</p> <p>2 Do you see that?</p> <p>3 A. Yeah.</p> <p>4 Q. Have you read that before today?</p> <p>5 A. During my practice I'm sure, you know, 6 or during schooling, I'm sure I've come across it. 7 But nothing that I can really recall during my 8 work, you know.</p> <p>9 Q. At any time while you've been with 10 Walgreens, have any of your job duties, going all 11 the way back to 1998 when you were still in school, 12 ever involved around suspicious orders of 13 controlled substances?</p> <p>14 A. Not specifically.</p> <p>15 MR. BENSINGER: Objection; vague.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. If I was to ask you about suspicious 18 order monitoring policy, does that mean anything to 19 you?</p> <p>20 A. I mean, I have maybe a general 21 understanding of what that would mean or would 22 entail, but that's not something I would apply in 23 my daily practice.</p> <p>24 Q. What's your general understanding?</p>
<p style="text-align: center;">Page 23</p> <p>1 of the federal laws or regulations that apply to 2 dispensing or distributing controlled substances?</p> <p>3 MR. BENSINGER: Objection; compound.</p> <p>4 BY THE WITNESS:</p> <p>5 A. Dispensing I would say yes. Not really 6 around the distribution.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. Okay. So, that might cut out a lot of 9 things, but let's look at this real quick.</p> <p>10 A. Sure.</p> <p>11 Q. Just to make sure. It says 1301.74. Do 12 you see where I am?</p> <p>13 A. Yes.</p> <p>14 Q. Under "Security Requirements"?</p> <p>15 A. Yes.</p> <p>16 Q. And if you go down to Section (b), it 17 says, "The registrant shall design and operate a 18 system to disclose to the registrant suspicious 19 orders of controlled substances. The registrant 20 shall inform the Field Division Office of the 21 Administration in his area of suspicious orders 22 when discovered by the registrant. Suspicious 23 orders include orders of unusual size, orders 24 deviating substantially from a normal pattern, and</p>	<p style="text-align: center;">Page 25</p> <p>1 A. Probably in reference to what I just 2 read essentially.</p> <p>3 Q. Okay. Would it be fair to say you have 4 a general understanding that Walgreens as a 5 distributor has a duty to be on the lookout for 6 suspicious orders and to report those to the DEA 7 when they find them?</p> <p>8 A. If that's the requirement, I would 9 expect that would be the case.</p> <p>10 Q. But is that consistent with your general 11 understanding?</p> <p>12 A. Yeah, I mean, in reading this statement 13 here, it makes sense to me that that would be the 14 case.</p> <p>15 Q. Okay. You told us that while you were a 16 pharmacist from 2000 to 2006 that your stores 17 received their Schedule II and III controlled drugs 18 from a Walgreens distribution center, correct?</p> <p>19 A. That's correct.</p> <p>20 Q. And are you aware that at some point in 21 time Walgreens stopped distributing opioids?</p> <p>22 A. Yes, I'm aware.</p> <p>23 Q. Do you know about when that occurred?</p> <p>24 A. Not specifically.</p>

<p style="text-align: right;">Page 26</p> <p>1 Q. Do you know why that occurred?</p> <p>2 A. Not specifically.</p> <p>3 Q. Okay. Mr. George, we've taken a lot of</p> <p>4 other testimony in this case, and I've had the</p> <p>5 opportunity to learn about some of the internal</p> <p>6 Walgreens programs, for lack of a better word. So,</p> <p>7 I'm just going to ask you generally about them and</p> <p>8 see if you know anything about them.</p> <p>9 A. Sure.</p> <p>10 Q. I've heard testimony about a program</p> <p>11 called an excessive order query that is run at the</p> <p>12 distribution center. Do you know anything about</p> <p>13 that?</p> <p>14 A. I do not.</p> <p>15 Q. I have heard testimony about line limit</p> <p>16 reports related to ordering of controlled drugs.</p> <p>17 Do you know anything about that?</p> <p>18 A. I do not.</p> <p>19 Q. We have had testimony about the</p> <p>20 application of the Chemical Handler's Manual to</p> <p>21 ordering of controlled drugs. Do you know anything</p> <p>22 about that?</p> <p>23 A. I do not.</p> <p>24 Q. We've had testimony about the creation</p>	<p style="text-align: right;">Page 28</p> <p>1 provisions around that procedure.</p> <p>2 Q. Why would you be copied on such an</p> <p>3 e-mail?</p> <p>4 A. In my role at Walgreens, it has become</p> <p>5 common for me to receive e-mails from various field</p> <p>6 leaders who may have questions and they don't know</p> <p>7 necessarily where to go and so they may send me an</p> <p>8 e-mail even though it's not directly within my role</p> <p>9 or responsibility with the company assuming that</p> <p>10 maybe I can at least route it to the right person.</p> <p>11 Q. Would it be fair to characterize a lot</p> <p>12 of your or your role at Walgreens as somewhat of a</p> <p>13 liaison between maybe the pharmacy level and the</p> <p>14 business side of Walgreens?</p> <p>15 A. Yeah, I wouldn't say in a formal sense,</p> <p>16 but I think it has developed along those lines. I</p> <p>17 try to help where I can.</p> <p>18 Q. And obviously Walgreens has stores in</p> <p>19 all 50 states, correct?</p> <p>20 A. Yes.</p> <p>21 Q. Do you know approximately how many</p> <p>22 stores Walgreens has?</p> <p>23 A. Walgreens, prior to the Rite Aid</p> <p>24 acquisition, I would say around 8,200.</p>
<p style="text-align: right;">Page 27</p> <p>1 or the implementation of tolerance levels or</p> <p>2 ceilings at particular pharmacies. Do you know</p> <p>3 anything about that?</p> <p>4 A. Maybe in a general reference, you know,</p> <p>5 point of view.</p> <p>6 Q. Okay. Tell me generally what your</p> <p>7 understanding is of those.</p> <p>8 A. I've -- in my experience, I may have</p> <p>9 received or been copied on an e-mail where a store</p> <p>10 was limited to a certain, you know, ordering</p> <p>11 threshold, so to speak, but I don't know what --</p> <p>12 what prompted that or what the outcome of that is</p> <p>13 or the processes surrounding that.</p> <p>14 Q. Have you ever had any involvement in</p> <p>15 establishing or setting thresholds for any</p> <p>16 particular stores or pharmacies?</p> <p>17 A. No, I have not.</p> <p>18 Q. We've also heard some testimony on what</p> <p>19 I think Walgreens calls internally override</p> <p>20 requests. Does that mean anything to you?</p> <p>21 A. Not specifically. Kind of how I</p> <p>22 described with that e-mail. I may have been copied</p> <p>23 on an e-mail that requested an override, you know,</p> <p>24 but I don't know the outcome or -- and the</p>	<p style="text-align: right;">Page 29</p> <p>1 Q. Is Walgreens the largest chain pharmacy</p> <p>2 in the country?</p> <p>3 MR. BENSINGER: Objection; foundation.</p> <p>4 BY THE WITNESS:</p> <p>5 A. I don't know offhand.</p> <p>6 BY MR. GADDY:</p> <p>7 Q. Who would compete with them sizewise?</p> <p>8 A. I would think CVS.</p> <p>9 Q. Anybody else?</p> <p>10 A. Not that I can think of.</p> <p>11 Q. Walgreens is headquartered here in</p> <p>12 Deerfield, Illinois?</p> <p>13 A. That's correct.</p> <p>14 Q. How long have you been in Deerfield?</p> <p>15 A. Since 2006.</p> <p>16 Q. I'm going to jump back to your resume.</p> <p>17 A. Sure.</p> <p>18 Q. It's P-WAG-2313.</p> <p>19 It looks like in the middle section of</p> <p>20 your resume there, from '06 to '08 you were a</p> <p>21 pharmacy systems business analyst.</p> <p>22 Do you see that?</p> <p>23 A. Yes, I do.</p> <p>24 Q. Can you explain for me generally what</p>

<p style="text-align: right;">Page 30</p> <p>1 your duties were in that position?</p> <p>2 A. Yeah, in that position there may be 3 enhancements that were requested or needed to 4 support the business, enhancements to the pharmacy 5 management system, that is.</p> <p>6 So, my team at the time would 7 essentially serve as almost project managers to 8 help ensure that we've captured the exact needs for 9 that type of enhancement and then also communicated 10 that with the technical team who actually do the 11 programming and essentially making sure that it 12 lands the correct way with the stores.</p> <p>13 Q. Okay. Let me ask it this way. I've 14 talked to several folks within the Walgreens IT or 15 IS department who were involved in implementing 16 improvements.</p> <p>17 A. Um-hmm.</p> <p>18 Q. I hear you to be saying that you from 19 the business side are directing those improvements 20 or changes to the system. Would that be accurate?</p> <p>21 MR. BENSINGER: Objection --</p> <p>22 BY THE WITNESS:</p> <p>23 A. Yeah.</p> <p>24 MR. BENSINGER: Objection; vague.</p>	<p style="text-align: right;">Page 32</p> <p>1 A. There would be various business units 2 that may come across a need that they would, you 3 know, within their group determine that, hey, we do 4 need an enhancement to the pharmacy system to help 5 accomplish that goal.</p> <p>6 Separately, we may receive employee 7 suggestions which would come from the field and 8 would maybe highlight opportunities to improve, you 9 know, or streamline operations at the pharmacy 10 level so that they can better take care of the 11 patients.</p> <p>12 Between a couple of those types of 13 situations, projects would essentially be slated or 14 prioritized and then they would be assigned to the 15 various business analysts based upon our capacity.</p> <p>16 Q. And you would act as project manager for 17 those projects and direct the computer folks who 18 are actually writing the code or writing the 19 programs?</p> <p>20 MR. BENSINGER: Objection; vague.</p> <p>21 BY THE WITNESS:</p> <p>22 A. What we would do is we would make sure 23 that we have a good understanding of what the 24 business need is. We would help ensure that the</p>
<p style="text-align: right;">Page 31</p> <p>1 BY THE WITNESS:</p> <p>2 A. What I would say is that there would be 3 a request made that would be essentially a project 4 that would be --</p> <p>5 BY MR. GADDY:</p> <p>6 Q. Who makes the request? Sorry.</p> <p>7 MR. BENSINGER: Mr. Gaddy, if you could permit 8 the witness to complete his answer before you 9 interject your next question. I believe you might 10 have cut off the witness' answer.</p> <p>11 Mr. George, are you finished?</p> <p>12 THE WITNESS: I think I lost my train of 13 thought.</p> <p>14 MR. BENSINGER: Would you please read back the 15 question and answer, please.</p> <p>16 (WHEREUPON, the record was read 17 by the reporter as requested.)</p> <p>18 BY MR. GADDY:</p> <p>19 Q. So, let me essentially ask the question 20 again.</p> <p>21 A. Yeah.</p> <p>22 Q. Describe for me the process of a request 23 being made and the -- for a project and the 24 implementation of that project.</p>	<p style="text-align: right;">Page 33</p> <p>1 requirements do not create any unintended 2 consequences from almost like a design standpoint, 3 and then we would make sure that the documentation 4 that the programmers would need would be able to be 5 clear enough for them to carry forth the project.</p> <p>6 Q. During your time in that position did 7 you undertake any projects related to the 8 distribution of opioids, Schedule II or III drugs, 9 from Walgreens distribution centers to Walgreens 10 pharmacies?</p> <p>11 A. I did not.</p> <p>12 Q. During your time in that position did 13 you undertake any projects related to the 14 prevention of diversion of controlled substances?</p> <p>15 MR. BENSINGER: Objection; vague.</p> <p>16 BY THE WITNESS:</p> <p>17 A. I don't know what diversion would mean 18 in this example.</p> <p>19 BY MR. GADDY:</p> <p>20 Q. Well, what does diversion mean to you?</p> <p>21 A. For me diversion is -- relates to 22 probably employee theft or loss of controlled 23 substances. That would be the primary.</p> <p>24 Q. What do you mean by "loss of controlled</p>

<p style="text-align: right;">Page 34</p> <p>1 substances"?</p> <p>2 A. Today maybe employee pilferage. That</p> <p>3 could be an example.</p> <p>4 Q. Do you have any appreciation for a</p> <p>5 definition of diversion that includes drugs going</p> <p>6 to people that shouldn't get them outside of the</p> <p>7 employee theft concept?</p> <p>8 A. In the capacity of a fraudulent</p> <p>9 prescription, I think that would make sense.</p> <p>10 Q. Sure. Let me ask you in that context.</p> <p>11 You're familiar with the concept of a</p> <p>12 fraudulent prescription, right?</p> <p>13 A. A prescription that was not actually</p> <p>14 written by a prescriber.</p> <p>15 Q. Correct.</p> <p>16 A. Yeah.</p> <p>17 Q. I mean, that happens, right?</p> <p>18 A. Yes.</p> <p>19 Q. Okay. And would you agree that if --</p> <p>20 that if there was a fraudulent prescription and</p> <p>21 that prescription is filled by a pharmacist,</p> <p>22 that -- would that fall within your definition of</p> <p>23 diversion, pills going to somebody that wasn't</p> <p>24 supposed to get them?</p>	<p style="text-align: right;">Page 36</p> <p>1 your understanding or definition of diversion?</p> <p>2 MR. BENSINGER: Objection; vague.</p> <p>3 BY THE WITNESS:</p> <p>4 A. I think that's a little bit not as</p> <p>5 clear-cut. You might have a patient who sees</p> <p>6 multiple doctors, one being a general practitioner,</p> <p>7 one being a specialist, and independently they may</p> <p>8 be prescribing controlled substances.</p> <p>9 BY MR. GADDY:</p> <p>10 Q. Well, is what you just described, is</p> <p>11 that your definition of doctor shopping?</p> <p>12 MR. BENSINGER: Objection; vague.</p> <p>13 BY THE WITNESS:</p> <p>14 A. In the -- my definition of doctor</p> <p>15 shopping, someone is intentionally seeking</p> <p>16 prescriptions from multiple doctors, but maybe not</p> <p>17 for -- I think it's still tough for me to --</p> <p>18 because there is also people who are doctor</p> <p>19 shopping but may not really understand, you know,</p> <p>20 the implication of the situation they're in.</p> <p>21 BY MR. GADDY:</p> <p>22 Q. Would the theft of opioid pills from a</p> <p>23 person's medicine cabinet, would that fall under</p> <p>24 your definition of diversion?</p>
<p style="text-align: right;">Page 35</p> <p>1 MR. BENSINGER: Objection to form.</p> <p>2 BY THE WITNESS:</p> <p>3 A. I mean, I think -- I'm struggling with</p> <p>4 people who are not supposed to -- I think you</p> <p>5 mentioned something along the lines of people who</p> <p>6 are not supposed to get them.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. Well, then let me try to make it easy</p> <p>9 for you. Forget that phrase.</p> <p>10 An individual who has a fraudulent</p> <p>11 prescription, presents it at a pharmacy, has that</p> <p>12 prescription filled. Does that fall within your</p> <p>13 definition or your understanding of diversion?</p> <p>14 A. I would say that when someone presents a</p> <p>15 fraudulent prescription, they are looking to divert</p> <p>16 controlled substance medications.</p> <p>17 Q. Okay. Kind of in a similar vein</p> <p>18 concept -- are you familiar with the concept of</p> <p>19 doctor shopping?</p> <p>20 A. Yes.</p> <p>21 Q. Would individuals who are engaged in</p> <p>22 doctor shopping and have those -- attempting to</p> <p>23 have those prescriptions filled at pharmacies,</p> <p>24 would you agree that those are -- also fall under</p>	<p style="text-align: right;">Page 37</p> <p>1 A. Yes.</p> <p>2 MR. BENSINGER: Objection; vague.</p> <p>3 BY MR. GADDY:</p> <p>4 Q. So --</p> <p>5 MR. BENSINGER: Can I have that question and</p> <p>6 answer read back, please.</p> <p>7 (WHEREUPON, the record was read</p> <p>8 by the reporter as requested.)</p> <p>9 BY MR. GADDY:</p> <p>10 Q. So, with that understanding of or with</p> <p>11 that question and answer series that we just had</p> <p>12 kind of as a backdrop for this next question, did</p> <p>13 any of the specific projects that you worked on as</p> <p>14 a business analyst from '06 to '08 relate to the</p> <p>15 prevention of diversion of controlled substances?</p> <p>16 A. None of the projects I worked on had to</p> <p>17 do with -- actually, I'm trying to recall again.</p> <p>18 I'm trying to think during that time if</p> <p>19 for certain if there were. I can't say</p> <p>20 conclusively there were none.</p> <p>21 Q. You don't remember any as you sit here</p> <p>22 today?</p> <p>23 A. Not around the dispensing of controlled</p> <p>24 substances.</p>

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<p>1 Q. Well, my question was related to the 2 prevention of diversion of controlled substances. 3 A. Now, I did work on projects that relates 4 to the reporting of controlled substance data to 5 the state prescription monitoring programs. 6 Q. Okay. 7 A. Which I think are used to help prevent 8 diversion. 9 Q. Okay. We'll get into that in a minute. 10 Anything else? 11 A. Nothing I can remember at this time. 12 Q. Okay. Are you aware of anybody who did 13 work on -- in the same role that you had, kind of 14 the project manager role, anybody who did work on 15 programs related to the distribution of opioids 16 from Walgreens distribution centers to Walgreens 17 pharmacies? 18 A. It would be hard for me to speak to 19 that. I generally just -- I'm aware of the project 20 I'm assigned. 21 Q. Okay. Did you work on any projects 22 related to the evaluation of dispensing patterns of 23 controlled substances in your time in that role? 24 A. I did not.</p>	<p>1 BY THE WITNESS: 2 A. I mean, I think -- I mean, at this time 3 we don't have distribution centers, so it may be 4 hard for me to provide any names in that example. 5 BY MR. GADDY: 6 Q. What about historically, when Walgreens 7 did have distribution centers? 8 A. I didn't really interact with anyone 9 directly at the distribution centers. I would 10 assume that people in the distribution centers 11 would have that knowledge. People closer to me who 12 would interact with them would probably be people 13 with the Rx inventory teams that would -- I don't 14 know to what degree that they, you know, would be 15 required to have that knowledge. 16 Q. Okay. Are the Rx inventory team, is 17 that different from the Rx Integrity team? 18 A. Yes. 19 Q. Is the Rx inventory team a division or a 20 group that's still in place today? 21 A. Yes. 22 Q. Is that a division or group that was in 23 place, looking back, while Walgreens was 24 distributing controlled substances?</p>
Page 39	Page 41
<p>1 Q. And any projects related to the 2 identification of suspicious orders of controlled 3 substances during your time in that role? 4 A. No, I did not. 5 Q. You testified earlier that while you 6 might have been aware that there were rules and 7 regulations regarding Walgreens' role as a 8 distributor, that that wasn't an area of expertise 9 for you. Would that be fair? 10 A. That's correct. 11 Q. Okay. Do you know, if I was to look for 12 that person or that department or that division, 13 who would you suggest that I talk to? 14 MR. BENSINGER: Objection; vague, foundation. 15 BY THE WITNESS: 16 A. You're asking about -- could you please 17 repeat the question again. 18 BY MR. GADDY: 19 Q. Sure. Who at Walgreens does have a 20 knowledge and understanding of Walgreens' 21 obligations under the federal rules and regulations 22 as it relates to Walgreens' role as a distributor 23 of opioids? 24 MR. BENSINGER: Objection; foundation.</p>	<p>1 A. Yes. 2 Q. Is that group headquartered here in 3 Deerfield also? 4 A. Yes. 5 Q. Tell me some of the people from that 6 group. 7 A. Barb Martin and Denman Murray. 8 Q. Anybody else? 9 A. Those are the two primary names that 10 come to mind. 11 Q. If we move up on your resume, it looks 12 like you then spent the next, and I guess you told 13 us this new cutoff date, you spent the next seven 14 or eight years working as a manager of pharmacy 15 regulatory systems, is that correct? 16 A. Yes. 17 Q. And underneath there you included some 18 bullet points that I guess lay out some of the 19 duties that you had in that role. Would that be 20 fair? 21 A. Yes. 22 Q. The first bullet point, it says you 23 "proactively work with Government and Community 24 Relations."</p>

<p style="text-align: right;">Page 42</p> <p>1 Do you see that?</p> <p>2 A. Yes, I do.</p> <p>3 Q. You're not a lobbyist, are you?</p> <p>4 A. I am not.</p> <p>5 Q. Do you work with Walgreens' lobbyists</p> <p>6 from time to time in that role?</p> <p>7 MR. BENSINGER: Objection; vague.</p> <p>8 BY THE WITNESS:</p> <p>9 A. There may be -- I mean, it was not</p> <p>10 any -- I may receive questions through our</p> <p>11 government relations team that was related to them</p> <p>12 supporting lobbyists.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. What would be the purpose of that?</p> <p>15 MR. BENSINGER: Objection; foundation.</p> <p>16 BY THE WITNESS:</p> <p>17 A. I wouldn't know always the intent. It</p> <p>18 was more to provide more insight or clarity as to,</p> <p>19 you know, really around prescription monitoring</p> <p>20 programs and how they operate.</p> <p>21 BY MR. GADDY:</p> <p>22 Q. From time to time would you give or</p> <p>23 provide information to the government relations</p> <p>24 folks or the lobbyists on state laws or state</p>	<p style="text-align: right;">Page 44</p> <p>1 A. I wouldn't say "lobby" is the word I</p> <p>2 would use. Again, when there are proposed rules,</p> <p>3 we try to work with the state to help make sure</p> <p>4 they understand how those rules could impact</p> <p>5 pharmacies and, yes, in some cases positively or</p> <p>6 negatively, especially if it's not consistent with</p> <p>7 how other states have been operating them.</p> <p>8 Q. Did you also work, in that role, also</p> <p>9 work with trade organizations or trade</p> <p>10 associations?</p> <p>11 A. National Association of Chain Drug</p> <p>12 Stores is an organization that we also provide</p> <p>13 those comments to.</p> <p>14 Q. Were there any other trade organizations</p> <p>15 or associations that you would liaison with outside</p> <p>16 of NACDS?</p> <p>17 A. None that come to mind at this time.</p> <p>18 Q. Did you serve on any boards or</p> <p>19 committees of NACDS?</p> <p>20 A. I did not.</p> <p>21 Q. Are you aware of anybody within</p> <p>22 Walgreens who did?</p> <p>23 A. Can you repeat the question again.</p> <p>24 Q. Sure. Are you aware of anybody within</p>
<p style="text-align: right;">Page 43</p> <p>1 regulations that were being proposed related to</p> <p>2 pharmacies?</p> <p>3 A. Can you repeat the question, please.</p> <p>4 Q. Sure. From time to time would you give</p> <p>5 or provide information to the government relations</p> <p>6 folks or the lobbyists within Walgreens on state</p> <p>7 laws or state regulations that were being proposed</p> <p>8 and how they would impact the Walgreens pharmacies?</p> <p>9 MR. BENSINGER: Objection; compound.</p> <p>10 BY THE WITNESS:</p> <p>11 A. In my role, what would happen is we</p> <p>12 would see proposed rules, and in this specific</p> <p>13 example, mostly around prescription drug monitoring</p> <p>14 programs and how the state would like to change the</p> <p>15 reporting requirements; and I would provide</p> <p>16 comments to the appropriate, whether it be</p> <p>17 government relations team member as to whether or</p> <p>18 not those proposed rules are consistent with how</p> <p>19 those programs work in other states.</p> <p>20 BY MR. GADDY:</p> <p>21 Q. Okay. Would the purpose of you</p> <p>22 providing information to these government relations</p> <p>23 team members be to allow them to lobby either for</p> <p>24 or against different proposals that are being made?</p>	<p style="text-align: right;">Page 45</p> <p>1 Walgreens who served on any boards or committees of</p> <p>2 NACDS?</p> <p>3 A. I understand that there may be a policy</p> <p>4 committee that Rick Gates was on, and I believe</p> <p>5 there is representation at a higher level, being</p> <p>6 Association of Chain Drug Stores, that there would</p> <p>7 be representatives at a higher level but I don't</p> <p>8 know all the logistics of the structure, so to</p> <p>9 speak.</p> <p>10 Q. Does NACDS have any group or committee</p> <p>11 that's related to the state prescription drug</p> <p>12 monitoring programs?</p> <p>13 MR. BENSINGER: Objection; foundation.</p> <p>14 BY THE WITNESS:</p> <p>15 A. I don't know their whole structure, so</p> <p>16 to speak, what type of -- I mean, it's kind of</p> <p>17 outside my general knowledge base.</p> <p>18 BY MR. GADDY:</p> <p>19 Q. So, you don't know if they had -- if</p> <p>20 they had a committee or a group that was related to</p> <p>21 state PDMPs?</p> <p>22 A. I don't know that.</p> <p>23 Q. Okay. If you continue reading in that</p> <p>24 first bullet point, you say that you "proactively</p>

<p style="text-align: right;">Page 46</p> <p>1 work with Government and Community Relations, 2 various national pharmacy organizations." 3 Is that NACDS is that you're referring 4 to there? 5 A. Yes. 6 Q. "And state regulators to develop 7 programs that do not negatively impact pharmacies." 8 Do you see that? 9 A. Yes. 10 Q. Would it be fair to characterize that as 11 your -- as kind of the overarching goal of what you 12 were doing when you were working with government 13 relations folks or national pharmacy organizations 14 like NACDS? 15 A. I can't say that, you know, it's the 16 only thing that comes up. 17 Q. Are you finished? 18 A. I am. I finished, yeah. 19 Q. Okay. Sorry. 20 So, I think you mentioned the -- that 21 one area that you would give information or 22 feedback to the lobbyists or the trade associations 23 on was prescription drug monitoring programs, 24 correct?</p>	<p style="text-align: right;">Page 48</p> <p>1 see the original e-mail here is in May of 2014 from 2 you? 3 Do you see that? 4 A. Yes. 5 Q. And you're writing to, it looks like, an 6 individual named Darren Kennedy. Who is that? 7 A. Darren Kennedy, according to this 8 e-mail, was an operations manager at our facility 9 in Tempe, Arizona. 10 Q. Do you see the subject line for this 11 e-mail chain is "Potential mail order rule for 12 controlled drugs in Ohio"? 13 Do you see that? 14 A. I do see that. 15 Q. And if you go down to your first e-mail, 16 you write, "Darren," and you got to flip the page, 17 and you say, "How challenging would this be?" And 18 then it looks like you've maybe pasted a proposed 19 amendment or regulation into the body of the 20 e-mail. 21 Do you see that? 22 A. I do see that. 23 Q. And what it says is "For mail order 24 prescriptions of drugs of concern, the terminal</p>
<p style="text-align: right;">Page 47</p> <p>1 A. That is correct. 2 Q. Are there any other areas that you would 3 give input or feedback to those people on to make 4 sure that there aren't programs coming out that are 5 going to negatively impact Walgreens? 6 A. I mean, if there were controlled 7 substance regulations around dispensing that were 8 not consistent with other state or federal laws, 9 those are items that we would call out. 10 Q. Okay. I'm going to show you what I have 11 marked as Exhibit No. 3. 12 (WHEREUPON, a certain document was 13 marked as Walgreens-George Exhibit 14 No. 3: 5/16/14 e-mail string; 15 WAGMDL00333310 - 00333313.) 16 BY MR. GADDY: 17 Q. This is P-WAG-2209 we've marked as 18 Exhibit No. 3. 19 If you look at the first page at the 20 top, do you recognize this as an e-mail chain that 21 you're involved in? 22 A. Yes. 23 Q. And if you look at -- if you go to the 24 second page, at the very bottom of the page, do you</p>	<p style="text-align: right;">Page 49</p> <p>1 distributor of dangerous drugs shall comply with 2 the following: As part of the initial registration 3 process of an individual in a mail order 4 prescription drug plan and prior to the drug of 5 concern being dispensed, the terminal distributor 6 of dangerous drugs shall obtain all identification 7 information, including the full name, 8 identification number, identification type, 9 signature, and a copy of a form on the 10 identification." 11 Do you see that? 12 A. I do. 13 Q. And is this a law or regulation that was 14 being proposed in the State of Ohio about requiring 15 proof of identification prior to dispensing 16 controlled substances through the mail? 17 A. Based upon the subject, that's what I 18 would expect it to involve. 19 Q. Okay. And if you look at the next 20 e-mail up in the chain, Darren -- do you see where 21 Darren responds? 22 A. I'm sorry. Which page are we on now? 23 Q. It's the second page. 24 A. Is that the one that's marked 311 at the</p>

<p style="text-align: right;">Page 50</p> <p>1 bottom?</p> <p>2 Q. Correct. And about three-quarters of</p> <p>3 the way down the page we see Darren's response to</p> <p>4 you on May 15, 2014 at 5:03. Do you see where I</p> <p>5 am?</p> <p>6 A. Yes.</p> <p>7 Q. Okay. And his response is, "Terminal.</p> <p>8 I'll discuss with the group but first thought is</p> <p>9 very costly and would have to redo all" -- is PG</p> <p>10 product groups or do you know?</p> <p>11 A. I actually don't know what that stands</p> <p>12 for.</p> <p>13 Q. "First thought is very costly and would</p> <p>14 have to redo all PGs as turnaround time would be</p> <p>15 greatly impacted."</p> <p>16 Is that what he wrote back?</p> <p>17 A. That is correct.</p> <p>18 Q. And would this exchange here be an</p> <p>19 example of where you're in your position serving as</p> <p>20 a liaison between the business unit and other</p> <p>21 business groups or departments to collect</p> <p>22 information about the potential change in the law?</p> <p>23 MR. BENSINGER: Objection; vague.</p> <p>24 BY THE WITNESS:</p>	<p style="text-align: right;">Page 52</p> <p>1 please.</p> <p>2 Q. Sure. Would you agree that it's current</p> <p>3 Walgreens policy to request identification if a</p> <p>4 patient comes into a store to have a controlled</p> <p>5 substance prescription filled?</p> <p>6 A. I don't know if that's true in all</p> <p>7 cases. I think it's -- depends on what the state</p> <p>8 laws are.</p> <p>9 Q. Okay. Is that a recommended best</p> <p>10 practice of Walgreens?</p> <p>11 MR. BENSINGER: Objection; foundation.</p> <p>12 BY THE WITNESS:</p> <p>13 A. I believe there is a policy around</p> <p>14 making sure that if you do not know the patient,</p> <p>15 that you should obtain or request identification</p> <p>16 information.</p> <p>17 BY MR. GADDY:</p> <p>18 Q. And why would that be a policy?</p> <p>19 A. I don't know.</p> <p>20 MR. BENSINGER: Objection; foundation.</p> <p>21 BY MR. GADDY:</p> <p>22 Q. Okay. So, if we go back to the e-mail,</p> <p>23 Darren says he'll discuss but the first thought is</p> <p>24 very costly. And do you see above that you have</p>
<p style="text-align: right;">Page 51</p> <p>1 A. In this example, I shared with Darren</p> <p>2 something that's not consistent with other states</p> <p>3 to understand if this would be a challenge for</p> <p>4 their location to comply with.</p> <p>5 Q. Okay. Well, what was being proposed was</p> <p>6 that in order to obtain controlled substances by</p> <p>7 mail in Ohio that the patient would have to show</p> <p>8 identification, correct?</p> <p>9 MR. BENSINGER: Objection; foundation.</p> <p>10 BY THE WITNESS:</p> <p>11 A. I mean, looking at the -- the subject</p> <p>12 heading, I don't recall exactly. But that's -- it</p> <p>13 appears that that's what's being proposed is that</p> <p>14 as part of initial registration, the individual</p> <p>15 must provide identification information to the mail</p> <p>16 order pharmacy.</p> <p>17 BY MR. GADDY:</p> <p>18 Q. And why would -- well, let me ask it</p> <p>19 this way.</p> <p>20 Would you agree it's Walgreens' policy</p> <p>21 to ask for identification if a person comes into</p> <p>22 their store to have a controlled substance</p> <p>23 prescription filled?</p> <p>24 A. Can you repeat the question again,</p>	<p style="text-align: right;">Page 53</p> <p>1 your response? Same page.</p> <p>2 A. Gotcha.</p> <p>3 Q. Immediately above it.</p> <p>4 A. Yep.</p> <p>5 Q. You write, "That is my thought as well,</p> <p>6 and we are trying to argue against it. I just have</p> <p>7 to put it in a way for the legislators to</p> <p>8 understand."</p> <p>9 Do you see that?</p> <p>10 A. I do.</p> <p>11 Q. And, again, is this exchange that we're</p> <p>12 seeing here consistent with your role as a liaison</p> <p>13 between the different states and the business units</p> <p>14 to determine how potential laws or regulations</p> <p>15 would impact the pharmacies?</p> <p>16 A. It is an example of me obtaining</p> <p>17 feedback on a proposed rule.</p> <p>18 Q. And your comment in that e-mail that we</p> <p>19 just looked at where you say, "I just have to put</p> <p>20 it in a way for the legislators to understand," is</p> <p>21 that consistent with you gathering information so</p> <p>22 that it could be communicated to the rule makers so</p> <p>23 that you can influence how -- whether or not a rule</p> <p>24 is adopted or how it's adopted?</p>

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1 A. We try to educate the legislators if 2 there is a potential impact that they are not aware 3 of. In this example I can also understand that 4 there could be a patient access issue. 5 Q. Okay. 6 A. And, so, we want patients to also not 7 completely be, you know -- lose access to 8 medication just because of a requirement and trying 9 to find that balance between patient access and 10 whatever the proposed rule is as well. Really 11 trying to educate them on the pros and cons. 12 Q. When you raised the issue with Darren in 13 the e-mail that we looked at just a moment ago, did 14 he raise the issue of patient access? 15 MR. BENSINGER: Objection; vague. 16 BY THE WITNESS: 17 A. He doesn't appear to be, but I would be 18 curious to know what he meant by "turnaround time 19 would be greatly impacted." 20 BY MR. GADDY: 21 Q. What he says is his first thought is it 22 would be very costly, correct? 23 A. That's correct. 24 Q. When you respond you say, "That is my	1 response up at the top of the page where you write 2 back and you say, "This is great information"? 3 A. Yes. 4 Q. Fair to say that you were going to use 5 this information to in your attempts to make sure 6 that this law did not get passed in Ohio? 7 A. I can't say that's fair. I think what I 8 tried to do is obtain all the information to 9 educate those folks involved, stakeholders, to 10 understand the impact. 11 Q. Okay. And what we saw from Darren is 12 that the impact to Walgreens is that this was going 13 to be costly, correct? 14 A. I did not see that. I saw he made a 15 mention to costly, but then I also saw him talk 16 about patients and how they may be impacted and 17 there may be a delay in therapy. 18 Q. Okay. Let's look at it just to make 19 sure that we're on the same page. 20 A. Okay. 21 Q. Second page, three-fourths of the way 22 down, in Darren's immediate response to you asking 23 him about the proposed law, and I think your 24 question was, "How challenging would this be?" And
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1 thought as well and we are trying to argue against 2 it." Correct? 3 A. That's correct. 4 Q. And if you go to the next page, it looks 5 like Darren responds and lists some bullet points 6 with ways to argue against this proposed law. 7 Do you see that? 8 A. I'm just reading it. I'm sorry. 9 Q. That's fine. Take your time. 10 A. Yeah, it seems that they called out some 11 bullet points that would also impact patients with 12 this law. 13 Q. So, for example, on the first one he 14 says, "Many patients are seniors and may not have 15 technology skills or equipment to send a copy of 16 their license." 17 Correct? 18 A. I read that. 19 Q. Second one, he says, "Patients may not 20 be or would be unaware of legislation change and 21 this would cause delay of therapy." 22 Do you see that? 23 A. I do. 24 Q. Okay. And then do you see your ultimate	1 his response is, "Terminal." Correct? 2 And then he says, "I'll discuss with the 3 group but first thought is very costly." 4 Do you see that? 5 A. I do see that. 6 Q. That was the first thing, that was the 7 first issue that Darren raised, correct? 8 A. That's correct. 9 Q. Okay. Let's jump back to your resume. 10 MR. BENSINGER: Mr. Gaddy, we have been going 11 for about an hour. 12 MR. GADDY: Yeah, no problem. 13 MR. BENSINGER: Would it be convenient to take 14 our first break now that you're finished with 15 Exhibit 3? 16 MR. GADDY: Absolutely. 17 MR. BENSINGER: Can we go off the record just 18 for a short break? 19 MR. GADDY: Of course. 20 MR. BENSINGER: Thank you. 21 THE VIDEOGRAPHER: We are off the record at 22 10:00 a.m. 23 (WHEREUPON, a recess was had 24 from 10:00 to 10:11 a.m.)

<p style="text-align: right;">Page 58</p> <p>1 THE VIDEOGRAPHER: We are back on the record 2 at 10:11 a.m. 3 BY MR. GADDY: 4 Q. Mr. George, I want to go back to your 5 resume if you still have that in front of you. 6 The second bullet point under the 7 "Manager, Pharmacy Regulatory Systems" says, "Serve 8 as the subject matter expert on pharmacy regulatory 9 systems both" -- "for both internal Walgreens 10 business groups and external regulatory agencies 11 and associations." 12 Do you see that? 13 A. I do. 14 Q. What I want to make sure I have an 15 understanding of is exactly what you are a subject 16 matter expert in. 17 A. It's a good question. I think that the 18 best way for me to describe it is given my previous 19 experience working on the pharmacy systems in 20 itself, that I can understand how difficult certain 21 changes would be to the system if need be and 22 also -- that's probably the best way to describe 23 being a subject matter expert. 24 Q. Okay. Let me ask you a couple specific</p>	<p style="text-align: right;">Page 60</p> <p>1 BY MR. GADDY: 2 Q. What do you mean by "the system"? 3 A. The pharmacy management system. So, in 4 Walgreens example is IntercomPlus specific. 5 Q. Okay. IntercomPlus is a software that 6 Walgreens uses? 7 A. That's correct. 8 Q. Okay. So, when you're calling yourself 9 a subject matter expert on the pharmacy regulatory 10 system, you are specifically talking about the 11 IntercomPlus system? 12 A. That is correct. 13 Q. Okay. That's helpful. Thank you. 14 You say this is "for both internal 15 Walgreens business groups and external regulatory 16 agencies and associations." 17 What do you mean by "external regulatory 18 agencies and associations"? 19 A. Similar to when there may be proposed 20 rules, some agencies may reach out to me in advance 21 as a stakeholder essentially to understand what 22 types of complications that type of rule may have. 23 Q. How any proposed rule would jibe with 24 Walgreens' software?</p>
<p style="text-align: right;">Page 59</p> <p>1 questions about that. 2 Are you -- do you consider yourself a 3 subject matter expert when it comes to Walgreens' 4 distribution of controlled substances to its own 5 stores? 6 A. I do not. 7 Q. Do you consider yourself a subject 8 matter expert as it relates to federal rules and 9 regulations related to dispensing of controlled 10 substances? 11 A. Can you repeat that again, please. 12 Q. Sure. Do you consider yourself a 13 subject matter expert as it relates to the federal 14 rules and regulations related to dispensing of 15 controlled substances? 16 A. I have definitely more knowledge in that 17 area than the distributor side of things. 18 Q. Okay. But when you call yourself a 19 subject matter expert in your resume, is that what 20 you're talking about? 21 MR. BENSINGER: Objection; vague. 22 BY THE WITNESS: 23 A. I think it's more within the context of 24 the system that we have in place.</p>	<p style="text-align: right;">Page 61</p> <p>1 A. That's correct. 2 Q. Okay. The next bullet point, it says, 3 "Oversee Walgreens' controlled substance reporting 4 to 47 different state agencies or Boards of 5 Pharmacy." 6 Do you see that? 7 A. Yes. 8 Q. Is that talking about PDMPs? 9 A. That is correct. 10 Q. Are you familiar with ARCOS? 11 A. Barely. 12 Q. Okay. What do you mean by "barely"? 13 A. Well, the concept of I think there is 14 reporting to the DEA of distribution essentially of 15 controlled substances from a distributor to a 16 pharmacy and that data extract. I think that's 17 pretty much what I know. 18 Q. During any of your time at Walgreens 19 have you had any involvement in the reporting of 20 information to ARCOS? 21 A. Not to ARCOS. I believe Ohio did 22 implement something similar. And, so, I think I 23 was involved a little bit in helping make sure we 24 got that covered.</p>

<p style="text-align: right;">Page 62</p> <p>1 Q. So, all of the controlled substance 2 reporting that you were involved in deals with 3 states as opposed to federal? 4 A. Correct. 5 Q. What three states are not covered? 6 A. At this -- at that moment in time, 7 Missouri for sure was one of the states that was 8 not covered. I can't recall the other states at 9 that time that were -- did not have an active 10 program. 11 Q. You mentioned Ohio. Ohio has a PDMP? 12 A. That is correct. 13 Q. Do you remember approximately when that 14 was initiated? 15 A. It's hard for me to say. 16 Q. Do you know the name of the Ohio system? 17 A. I think it's referred to as OARRS. 18 Q. Is there any particular body or agency 19 within Ohio that is charged with monitoring or 20 overseeing the OARRS program? 21 MR. BENSINGER: Objection; foundation. 22 BY THE WITNESS: 23 A. I understand that the Board of Pharmacy 24 administers the program and would determine if some</p>	<p style="text-align: right;">Page 64</p> <p>1 BY MR. GADDY: 2 Q. Sure. Can you give me an example of 3 that? 4 A. I think more recently ICD-10 codes is 5 something that they most recently adopted. 6 Q. When you say "most recently," what's the 7 time period for that? 8 A. I don't know the exact date, but let's 9 say in the last couple years. 10 Q. Before or after Walgreens stopped 11 distributing? 12 A. After. 13 Q. And what's an ICD-10 code? 14 A. It's a diagnosis code that I think is 15 usually used for billing purposes. 16 Q. And that's information that Walgreens 17 did not traditionally collect or keep? 18 A. It's an item that's not generally 19 provided by the doctor on all prescriptions. So, 20 therefore, if it's not available on the 21 prescription, Walgreens wouldn't necessarily have 22 access to it, for example. 23 Q. Anything else that would fall under that 24 same category that you can think of?</p>
<p style="text-align: right;">Page 63</p> <p>1 pharmacy is compliant or not. 2 BY MR. GADDY: 3 Q. What information is reported in Ohio? 4 MR. BENSINGER: Objection; foundation. 5 BY THE WITNESS: 6 A. Ohio's prescription drug monitoring 7 program requires a number of data elements. A lot 8 of them are consistent with what you would normally 9 find on a prescription essentially, for example, 10 patient name, address, drug information, quantity, 11 days supply. 12 BY MR. GADDY: 13 Q. As it relates specifically to the Ohio 14 reporting system of OARRS, do you recall whether or 15 not there was any information that Walgreens or any 16 other pharmacy was required to report that 17 Walgreens didn't already have? Does that make 18 sense? 19 MR. BENSINGER: Objection; foundation. 20 BY THE WITNESS: 21 A. I think there has been maybe a couple of 22 instances where Ohio wanted to -- wanted pharmacies 23 to report something that was not generally provided 24 on a prescription, if that makes any sense.</p>	<p style="text-align: right;">Page 65</p> <p>1 A. I think -- let me think what else. 2 That might be the only thing I remember 3 right now. That's more recent I think, so that's 4 why I probably remember it. 5 Q. What about in West Virginia, do they 6 have a reporting system there? 7 A. They do. 8 Q. Do you know what that one's called? 9 A. I think the acronym probably starts with 10 a C, but I can't remember the whole. 11 Q. Do you know when that was established? 12 A. I don't know offhand. 13 Q. And do you know what information was 14 reported there? 15 A. In general a lot of the prescription 16 monitoring programs require similar data elements. 17 The one thing that's probably unique about West 18 Virginia is they require identification information 19 of patients when they're picking up the controlled 20 substance prescription. 21 Q. Let me ask you about that. I think you 22 already told me Walgreens operates in all 50 23 states, correct? 24 A. That is correct.</p>

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<p>1 Q. And would it be fair to say that there 2 are -- that different states have different 3 requirements?</p> <p>4 A. Different states can have different 5 requirements.</p> <p>6 Q. Okay. What is Walgreens' position when 7 a certain state such as let's use this West 8 Virginia example might require a measure that's 9 more secure or more protective such as requiring 10 identification?</p> <p>11 Does Walgreens' policy demand that that 12 measure only be followed within West Virginia or 13 does Walgreens roll that more protective policy out 14 across the country?</p> <p>15 MR. BENSINGER: Objection; foundation, calls 16 for speculation.</p> <p>17 BY THE WITNESS:</p> <p>18 A. Yeah, I think there is a lot there 19 that -- trying to go through here, right.</p> <p>20 The -- I think there is a couple of 21 things that come to mind, and I'm hoping that this 22 information could help answer the question.</p> <p>23 So, one I think, Walgreens is trying to 24 balance access to medications and compliance with</p>	<p>1 A. Yeah, I mean, I think what in that 2 example, you know, if a state does require 3 something that we don't currently -- Walgreens does 4 not currently have available, you know, to turn on, 5 you know, overnight, for example, and that there 6 would be software improvements necessary, then I 7 would work with essentially, for example, the 8 business analyst, which was a previous role of 9 mine, to make sure they understand what the 10 requirements are so that they can make sure they 11 document and communicate to the computer 12 programmers.</p> <p>13 We'd also work with legal as them being 14 the true experts as to what, you know, is legally 15 required in a given sense and make sure they 16 validate that we're meeting the rules and regs of 17 that state.</p> <p>18 Q. Is it common when you are working with 19 compliance with regulations for you to have 20 interactions with the legal department?</p> <p>21 A. Yes.</p> <p>22 Q. And are folks in the legal department 23 involved in the compliance function at Walgreens?</p> <p>24 A. When there are compliance questions, we</p>
<p>1 state rules and regulations. And, so, obviously 2 they want to make sure the patients have access but 3 also want to follow state laws and federal laws.</p> <p>4 So, in the example of West Virginia that 5 requires identification on every single 6 prescription that's picked up, that is not 7 something that is rolled out in all states. That 8 one example would be something that's more 9 state-specific because there could be a burden on 10 patients who may not have an ID on them at the time 11 they're picking up the prescription.</p> <p>12 So, you know, it does become a little 13 challenging.</p> <p>14 BY MR. GADDY:</p> <p>15 Q. Okay. Walgreens still dispenses 16 controlled substances in West Virginia, correct?</p> <p>17 A. That is correct.</p> <p>18 Q. The next bullet point says, "Analyze and 19 coordinate system enhancements required for 20 Walgreens to maintain compliance with pharmacy 21 state rules and regulations."</p> <p>22 Is that kind of similar to what you have 23 told us about as far as directing improvements to 24 the software?</p>	<p>1 will often interact with our legal attorneys to 2 help them validate what the true requirement is.</p> <p>3 Q. Next bullet point says, "Monitor 4 compliance and identify potential risks."</p> <p>5 What compliance are you talking about? 6 Is that state, state requirements?</p> <p>7 A. Yeah, state requirements is generally 8 where I operated. So, that would be what I would 9 expect that to refer to.</p> <p>10 Q. I show you what I will mark as 11 Exhibit No. 4.</p> <p>12 (WHEREUPON, a certain document was 13 marked as Walgreens-George Exhibit 14 No. 4: 7/12/12 e-mail; 15 WAGMDL00662135.)</p> <p>16 BY MR. GADDY:</p> <p>17 Q. Do you recognize this as being an e-mail 18 from you?</p> <p>19 A. I do.</p> <p>20 Q. And it's from July of 2012 and it looks 21 like you write, "Hi Mike, Can you please forward 22 the following bio to Marcy for consideration as a 23 representative on the iSTOP work group?"</p> <p>24 Do you see that?</p>
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<p>1 A. Yes.</p> <p>2 Q. What's the iSTOP work group?</p> <p>3 A. I forgot what the acronym exactly stands</p> <p>4 for, but it was a New York State program. I</p> <p>5 believe New York was looking to find out ways to</p> <p>6 address some of their concerns around prescription</p> <p>7 drug abuse.</p> <p>8 Q. Then if you look down in the bio, at the</p> <p>9 bottom, it says, "Tomson George is a manager of</p> <p>10 pharmacy regulatory systems at Walgreen Company or</p> <p>11 Corporation. He currently manages the reporting of</p> <p>12 controlled substance drug information to the 43</p> <p>13 state PDMPs and helps coordinate the tracking</p> <p>14 of" -- that's pseudoephedrine?</p> <p>15 A. That's correct.</p> <p>16 Q. -- "at Walgreens pharmacies."</p> <p>17 Is that description consistent with what</p> <p>18 you were doing in your role as the manager of</p> <p>19 pharmacy regulatory systems?</p> <p>20 A. Yeah, those were definitely a couple</p> <p>21 things I was involved with for sure.</p> <p>22 Q. So, back in the time of this e-mail,</p> <p>23 July 2012, you didn't have any duties that</p> <p>24 encompassed the distribution of opioids from</p>	<p>1 in a more of a public domain first or as part of my</p> <p>2 work. That's pretty much I think all I can comment</p> <p>3 on that.</p> <p>4 BY MR. GADDY:</p> <p>5 Q. Okay. Explain to me the context in</p> <p>6 which you learned about it through work.</p> <p>7 A. I may have been sitting at my desk and</p> <p>8 seen -- I mean, I don't believe anyone informed me</p> <p>9 directly, if that's what you're asking, that</p> <p>10 Walgreens had some sort of settlement.</p> <p>11 Q. Any communication whatsoever from a</p> <p>12 Walgreens business about, to you or to Walgreens</p> <p>13 employees, about the settlement?</p> <p>14 A. Not that I can remember.</p> <p>15 Q. Did anybody at Walgreens ever show you</p> <p>16 the settlement agreement?</p> <p>17 A. No.</p> <p>18 Q. Have you ever seen the settlement</p> <p>19 agreement?</p> <p>20 A. No.</p> <p>21 Q. Are you familiar with what an Order to</p> <p>22 Show Cause is?</p> <p>23 A. Not specifically.</p> <p>24 Q. Has anybody -- do you recall anybody at</p>	
	Page 71	Page 73
<p>1 Walgreens distribution centers to Walgreens</p> <p>2 pharmacies?</p> <p>3 A. That is correct.</p> <p>4 Q. Okay. Are you aware that in 2013</p> <p>5 Walgreens paid what at the time was the largest</p> <p>6 ever settlement to the DEA based on allegations</p> <p>7 that Walgreens had violated the Controlled</p> <p>8 Substance Act with regard to its distribution and</p> <p>9 dispensing of opioids?</p> <p>10 A. I'm not aware of all the particulars.</p> <p>11 I'm aware there was some settlement agreement.</p> <p>12 Q. Tell me what you know about it.</p> <p>13 A. Pretty much what's available in public</p> <p>14 headlines, along the lines of \$80 million I</p> <p>15 believe. That's pretty much all I know.</p> <p>16 Q. How did you gain that understanding or</p> <p>17 that knowledge of the settlement?</p> <p>18 MR. BENSINGER: Mr. George, I admonish you, to</p> <p>19 the extent that your answer might reveal the</p> <p>20 substance of attorney-client communications, to</p> <p>21 confer with me before you answer. Otherwise, you</p> <p>22 may go ahead and answer the question.</p> <p>23 BY THE WITNESS:</p> <p>24 A. I don't recall whether I learned of it</p>	<p>1 Walgreens ever showing you an Order to Show Cause</p> <p>2 that was issued to the -- to Walgreens?</p> <p>3 A. No.</p> <p>4 Q. Do you have a general understanding of</p> <p>5 how the process of a DEA investigation would work</p> <p>6 into a company such as Walgreens?</p> <p>7 A. I do not.</p> <p>8 Q. Do you have an understanding that</p> <p>9 subpoenas were issued, that Walgreens had to -- by</p> <p>10 the DEA, that Walgreens had to turn over documents</p> <p>11 that included policies, e-mails and that after the</p> <p>12 DEA had an opportunity to review that material,</p> <p>13 that they issued an Order to Show Cause to</p> <p>14 Walgreens? Do you have an understanding of that</p> <p>15 general process?</p> <p>16 A. Only as you explained it right now.</p> <p>17 Q. I will show you what we'll mark as</p> <p>18 Exhibit No. 5.</p> <p>19 (WHEREUPON, a certain document was</p> <p>20 marked as Walgreens-George Exhibit</p> <p>21 No. 5: Binder of documents,</p> <p>22 "Settlement and Memorandum of</p> <p>23 Agreement" with various documents,</p> <p>24 P-WAG-0001.)</p>	

<p style="text-align: right;">Page 74</p> <p>1 BY MR. GADDY:</p> <p>2 Q. And do you see at the very first page of</p> <p>3 Exhibit No. 5 up in the top middle it says,</p> <p>4 "Settlement and Memorandum of Agreement"?</p> <p>5 A. I do.</p> <p>6 Q. You've never seen this before?</p> <p>7 A. I have not.</p> <p>8 Q. Nobody at Walgreens ever showed this to</p> <p>9 you?</p> <p>10 MR. BENSINGER: Asked and answered.</p> <p>11 BY THE WITNESS:</p> <p>12 A. Not that I'm aware of, no.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. If you look at the very bottom, middle</p> <p>15 of the page it says 1 of 349?</p> <p>16 A. Yes.</p> <p>17 Q. Okay. I'm going to use that to direct</p> <p>18 you to page numbers, just so you know where I am.</p> <p>19 A. Thank you.</p> <p>20 Q. If you don't mind, go to page 28 for me,</p> <p>21 please.</p> <p>22 Now, you're aware that in this time</p> <p>23 frame Walgreens distributed opioids to their</p> <p>24 stores, correct?</p>	<p style="text-align: right;">Page 76</p> <p>1 Corporation of the immediate suspension of DEA</p> <p>2 Certificate of Registration," and then it has a</p> <p>3 number there, "pursuant to 21 USC Section 824(d),</p> <p>4 because such registration constitutes an imminent</p> <p>5 danger to the public health and safety."</p> <p>6 Do you see that?</p> <p>7 A. I do.</p> <p>8 Q. Did anybody within Walgreens ever tell</p> <p>9 you that the DEA had alleged that the Walgreens</p> <p>10 Jupiter distribution center, that were it to</p> <p>11 continue to operate, it constituted an imminent</p> <p>12 danger to the public health and safety?</p> <p>13 A. No one has mentioned that to me.</p> <p>14 Q. Has anybody ever at Walgreens ever sat</p> <p>15 down with you and explained what led to the DEA</p> <p>16 investigation and the \$80 million settlement?</p> <p>17 A. No.</p> <p>18 Q. Would you agree that the \$80 million</p> <p>19 settlement that I think you told us you had heard</p> <p>20 about is a substantial settlement amount to pay?</p> <p>21 MR. BENSINGER: Objection; vague.</p> <p>22 BY THE WITNESS:</p> <p>23 A. It's more money than I have, I would</p> <p>24 say.</p>
<p style="text-align: right;">Page 75</p> <p>1 A. Which time frame again?</p> <p>2 Q. 2012ish.</p> <p>3 A. Yeah, I don't remember exactly the date</p> <p>4 that they stopped.</p> <p>5 Q. Okay. Let's look at this. You see that</p> <p>6 at that page up in the top right-hand corner it</p> <p>7 says, "U.S. Department of Justice, Drug Enforcement</p> <p>8 Administration"?</p> <p>9 A. I see that.</p> <p>10 Q. And below that we see the date,</p> <p>11 September 13, 2012?</p> <p>12 A. I see that.</p> <p>13 Q. And over on the left-hand side of the</p> <p>14 page do you see where it says, "In the matter of</p> <p>15 Walgreens Company," and it has a Jupiter, Florida</p> <p>16 address?</p> <p>17 A. I do.</p> <p>18 Q. And the heading in the middle of the</p> <p>19 page says, "Order to Show Cause and Immediate</p> <p>20 Suspension of Registration."</p> <p>21 Do you see that?</p> <p>22 A. Yes.</p> <p>23 Q. And it says in the second paragraph</p> <p>24 there, "Notice is hereby given to inform Walgreens</p>	<p style="text-align: right;">Page 77</p> <p>1 BY MR. GADDY:</p> <p>2 Q. If you go down to the paragraph numbered</p> <p>3 No. 1 at the bottom of the page, it says,</p> <p>4 "Walgreens's Jupiter, Florida distribution center is</p> <p>5 registered with DEA as a distributor in</p> <p>6 Schedules II through V pursuant" to a particular</p> <p>7 DEA registration number.</p> <p>8 Do you see that?</p> <p>9 A. I do.</p> <p>10 Q. Did you have an understanding that</p> <p>11 Walgreens had a distribution center in Jupiter,</p> <p>12 Florida?</p> <p>13 A. I did.</p> <p>14 Q. Do you know how many distribution</p> <p>15 centers Walgreens had that distributed opioids?</p> <p>16 A. I do not.</p> <p>17 Q. It goes on to say, "The Jupiter</p> <p>18 distribution center is one of 12 distribution</p> <p>19 centers owned and operated by Walgreens Corporation</p> <p>20 headquartered in Deerfield, Illinois. Walgreens</p> <p>21 also operates more than 7,800 Walgreens retail</p> <p>22 pharmacies in the United States."</p> <p>23 Do you see that?</p> <p>24 A. I do.</p>

<p style="text-align: right;">Page 78</p> <p>1 Q. I think you told us earlier today that 2 prior to the acquisition of Rite Aid that Walgreens 3 was around 8,200?</p> <p>4 A. That was my understanding.</p> <p>5 Q. Okay. Since adding Rite Aid -- and 6 Walgreens owns Rite Aid now, correct?</p> <p>7 A. Not all --</p> <p>8 MR. BENSINGER: Objection; foundation.</p> <p>9 BY THE WITNESS:</p> <p>10 A. Not that I understand to be all Rite 11 Aid. I think there are some Rite Aid locations 12 that Walgreens has acquired.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. Okay. Now that Walgreens has acquired 15 some Rite Aid locations, approximately how many 16 locations does Walgreens have including the Rite 17 Aids, do you know?</p> <p>18 A. I can't give an exact number.</p> <p>19 Q. If you go to the Paragraph No. 2 on that 20 same page, it says, "Since at least 2009, the State 21 of Florida has been the epicenter of a notorious, 22 well-documented epidemic of prescription drug 23 abuse."</p> <p>24 Do you see that?</p>	<p style="text-align: right;">Page 80</p> <p>1 happening in Florida?</p> <p>2 MR. BENSINGER: Objection; vague. You can 3 answer.</p> <p>4 BY THE WITNESS:</p> <p>5 A. It's hard for me to say. I remember 6 discussions around changes to policies and 7 procedures in Florida, but I can't remember if that 8 was related to a new rule or regulation or if it 9 was more on the voluntary side. I can't remember.</p> <p>10 BY MR. GADDY:</p> <p>11 Q. As you sit here today do you have any 12 memory whatsoever of any voluntary action that 13 Walgreens took prior to this Order to Show Cause 14 that came in September of 2012, do you recall any 15 voluntary action that Walgreens took related to the 16 distribution or dispensing of controlled substances 17 within the State of Florida?</p> <p>18 A. I don't recall, but I'm not sure if I 19 would have been involved in that process either. 20 I'm mostly involved with the regulatory and when 21 those changed along those lines from a compliance 22 standpoint.</p> <p>23 Q. But nothing that you're aware of?</p> <p>24 A. No.</p>
<p style="text-align: right;">Page 79</p> <p>1 A. I do.</p> <p>2 Q. Do you agree with that sentence?</p> <p>3 A. I don't know the date or timing, but I 4 understand that Florida has gained a lot of 5 attention on this issue.</p> <p>6 Q. Well, let me ask it this way. In your 7 role within Walgreens as a pharmacist from 2000 to 8 2006, a business analyst for a couple of years and 9 then from '08 on through at least this time period 10 as a manager in charge of state pharmacy 11 regulations, did you have an understanding in the 12 2009, 2010, 2011 time period that Florida was well 13 known as the epicenter of a prescription drug abuse 14 crisis?</p> <p>15 A. What I remember during my time is that 16 there was a lot of attention in Florida. I think 17 more -- it's hard to say exactly where that 18 attention was sourced from. But I do also remember 19 that the State was looking to help address the 20 issue.</p> <p>21 Q. In your professional role at Walgreens, 22 were you ever requested by anybody within Walgreens 23 to implement any programs or take any steps to 24 address the prescription drug abuse that was</p>	<p style="text-align: right;">Page 81</p> <p>1 Q. That paragraph goes on to say, "In 2 July 2011, the Florida Surgeon General declared a 3 public health emergency based on the prescription 4 pill epidemic which results in an average of seven 5 overdose deaths per day in Florida."</p> <p>6 Do you see that?</p> <p>7 A. I do.</p> <p>8 Q. Did you have an independent knowledge 9 prior to seeing this here that there was a public 10 health emergency declared in Florida back in 11 July of 2011?</p> <p>12 A. I can't say I'm -- I knew of a July 2011 13 public health emergency, if that's what you're 14 asking.</p> <p>15 Q. It goes down to paragraph 3. It says, 16 "Oxycodone is a dangerously addictive Schedule II 17 controlled substance."</p> <p>18 Do you agree with that portion of that 19 sentence?</p> <p>20 A. I don't know if that's how I'd 21 specifically characterize it. Oxycodone being a 22 Schedule II drug has addictive properties. But I 23 think that, you know, any drug could also be 24 dangerous, you know.</p>

<p style="text-align: right;">Page 82</p> <p>1 So, it's a matter of making -- it's what 2 pharmacists do also to make sure that they help 3 protect the patient so that when a prescription is 4 dispensed that it's done so in a safe manner.</p> <p>5 Q. Okay? You said -- you said there that 6 any drug could be dangerous?</p> <p>7 A. Sure.</p> <p>8 Q. Is oxycodone the same as just any other 9 drug in your opinion?</p> <p>10 A. I mean, it's classified by the DEA as a 11 Schedule II drug, which gives it a higher rating in 12 their scale as far as potential risk related to 13 addiction.</p> <p>14 Q. Okay. Do you agree or disagree that 15 oxycodone is a dangerously addictive drug?</p> <p>16 A. It can be an addictive drug, but I also 17 understand many people take it safely every day.</p> <p>18 Q. Do you agree or disagree that we're in 19 the midst of a public health crisis related to 20 opioid abuse?</p> <p>21 A. I think there is definitely a lot of 22 people impacted by the issue every single day.</p> <p>23 Q. What do you mean by "impacted"?</p> <p>24 A. There are people who do overdose from</p>	<p style="text-align: right;">Page 84</p> <p>1 Q. Let's read the whole sentence again. 2 It says, "Oxycodone is a dangerously 3 addictive Schedule II controlled substance which is 4 known to be highly abused and diverted in the State 5 of Florida."</p> <p>6 Do you see that?</p> <p>7 A. I do.</p> <p>8 Q. We just spent a moment talking about the 9 first portion of that sentence. The second 10 portion, it says, "Oxycodone is known to be highly 11 abused and diverted in the State of Florida."</p> <p>12 Do you agree with that sentence?</p> <p>13 A. I don't --</p> <p>14 MR. BENSINGER: Objection; foundation.</p> <p>15 BY THE WITNESS:</p> <p>16 A. I don't know if I have enough 17 information to completely agree with that sentence. 18 I've heard of that type of conversation.</p> <p>19 BY MR. GADDY:</p> <p>20 Q. Had you heard of that or were you aware 21 of that back in September of 2012 when this 22 document was published?</p> <p>23 A. I could not say I was.</p> <p>24 Q. Did anybody -- are you aware or do you</p>
<p style="text-align: right;">Page 83</p> <p>1 controlled substance medications.</p> <p>2 Q. Do you agree there is a lot of people 3 that are addicted to drugs such as oxycodone?</p> <p>4 A. That's what I understand.</p> <p>5 Q. With that backdrop, with that 6 understanding that a lot of people are addicted to 7 it, a lot of people I think you just said overdose 8 from it, do you agree or disagree that oxycodone is 9 a dangerously addictive Schedule II controlled 10 substance?</p> <p>11 MR. BENSINGER: Asked and answered.</p> <p>12 BY THE WITNESS:</p> <p>13 A. I don't think I can categorically 14 subscribe to that statement as a...</p> <p>15 BY MR. GADDY:</p> <p>16 Q. That sentence goes on to say, "which is 17 known to be highly abused and diverted in the State 18 of Florida."</p> <p>19 Do you see that?</p> <p>20 A. Is that paragraph 2 still?</p> <p>21 Q. Yeah. I'm sorry. It's the second half 22 of that first sentence. No, I'm sorry. We are in 23 paragraph 3 now.</p> <p>24 A. I'm sorry.</p>	<p style="text-align: right;">Page 85</p> <p>1 have any memory of anybody at Walgreens making you 2 aware of the information contained within that 3 sentence?</p> <p>4 A. No one at Walgreens notified me of that 5 first sentence that you talked about.</p> <p>6 Q. So, in the time period leading up to 7 this document, which is dated September 13, 2012, 8 do you have any understanding of any suspicious 9 order monitoring program that Walgreens had in 10 place on the distribution side?</p> <p>11 A. It wouldn't be part of my job role, so 12 it would be hard for me to comment on. I mean...</p> <p>13 Q. Is the answer no, that you don't have 14 any understanding of that, that we should talk to 15 other people about the suspicious order monitoring?</p> <p>16 A. Yes, if that's your focus of the 17 question, I would not be the person to talk to 18 about that.</p> <p>19 Q. What about on the pharmacy side, so the 20 dispensing side. What systems were in place to 21 allow pharmacies to monitor their dispensing 22 practices?</p> <p>23 A. Which date would you like me to think 24 about?</p>

<p style="text-align: right;">Page 86</p> <p>1 Q. Again, this is in the time period 2 leading up to the date of this document, which is 3 September 2012, and what I'm asking is: What 4 policies or programs did Walgreens have in place on 5 the dispensing side to ensure that only valid, 6 appropriate, medically necessary prescriptions were 7 filled?</p> <p>8 MR. BENSINGER: Objection; foundation.</p> <p>9 BY THE WITNESS:</p> <p>10 A. On the topic of dispensing controlled 11 substances, I think three things come to mind 12 around controlled substances that I was at least 13 familiar with to some level.</p> <p>14 One is Walgreens' good faith dispensing 15 policies and procedures. Second is I think as part 16 of the pharmacist drug utilization review, I think 17 there was a warning message, for example, if a 18 prescription was being refilled early and then, 19 third, as it relates to prescription drug 20 monitoring reporting.</p> <p>21 BY MR. GADDY:</p> <p>22 Q. So, as far as programs that were in 23 place to ensure that only appropriate and medically 24 necessary prescriptions were filled, you're</p>	<p style="text-align: right;">Page 88</p> <p>1 talking about, September 2012, how long do you 2 believe the good faith dispensing program had been 3 in place?</p> <p>4 A. I don't know offhand, to be honest.</p> <p>5 Q. Okay. And what about that drug 6 utilization review?</p> <p>7 A. That -- I mean the concept of the system 8 checking for, you know, drug interactions, 9 including early refills, that's been there since 10 the day I was a pharmacist. I don't know the exact 11 timing, whether or not the early refill portion was 12 there from Day One or it came into effect at some 13 point during my time with Walgreens Company.</p> <p>14 Q. But those are three programs or three 15 tools that were available to pharmacists during 16 this time period, correct?</p> <p>17 A. Yeah, depending on the state and the 18 prescription drug monitoring program, I would 19 expect that the other two would apply as well.</p> <p>20 Q. But would you agree that good faith 21 dispensing program that you are talking about here 22 had been in place for several years?</p> <p>23 A. That's what I understand.</p> <p>24 Q. If you go down to paragraph 4, still on</p>
<p style="text-align: right;">Page 87</p> <p>1 pointing us to three things: The good faith 2 dispensing program?</p> <p>3 A. Um-hmm.</p> <p>4 Q. The drug utilization review and any 5 prescription drug monitoring program, correct?</p> <p>6 A. Yeah.</p> <p>7 Q. Are these policies or procedures that 8 are in place within the pharmacies or are these 9 policies and procedures that give folks in the 10 business side of Walgreens the visibility to see 11 what's going on in their pharmacies?</p> <p>12 MR. BENSINGER: Objection; foundation.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. Let me strike that and ask that a 15 different way.</p> <p>16 Are those pharmacy programs?</p> <p>17 A. Yeah, the pharmacy -- the locations and 18 the pharmacists and technicians inside, those would 19 be the ones that are impacted by what I just called 20 out.</p> <p>21 Q. Okay. And we'll look in a minute at 22 exactly when the Florida PDMP went into place. I 23 think it was 2011.</p> <p>24 But prior to this date that we're</p>	<p style="text-align: right;">Page 89</p> <p>1 page 29, it says, "Since 2009, Walgreens' Jupiter 2 Florida distribution center has been the single 3 largest distributor of oxycodone products in 4 Florida. At about the same time as the abuse of 5 prescription drugs became an epidemic in Florida, 6 Walgreens' Florida retail pharmacies, supplied by 7 Respondent, commanded an increasingly large 8 percentage of the state's growing oxycodone 9 business."</p> <p>10 Do you see that?</p> <p>11 A. I do.</p> <p>12 Q. Is that information that you were aware 13 of?</p> <p>14 MR. BENSINGER: Objection; vague.</p> <p>15 BY THE WITNESS:</p> <p>16 A. I don't -- I mean, I'm not familiar with 17 the document and the statements that you just read 18 wouldn't have been something that I would have been 19 I think aware of in my role at the company.</p> <p>20 BY MR. GADDY:</p> <p>21 Q. It says, "In 2010, only three Walgreens 22 retail pharmacies were in the top 100 purchasers of 23 oxycodone within Florida. In 2011, 38 Walgreens 24 pharmacies made the top ten" -- excuse me -- "the</p>

<p style="text-align: right;">Page 90</p> <p>1 top 100 and six were in the top ten. Through 2 May 2012, 44 Walgreens pharmacies are in the top 3 100 oxycodone purchasers, all of them supplied by 4 Respondent."</p> <p>5 Do you see that?</p> <p>6 A. I do.</p> <p>7 Q. Do you agree that there's a correlation 8 between the amount of opioids dispensed and the 9 amount that would have to be distributed to those 10 stores?</p> <p>11 What I mean by that is the more drugs a 12 pharmacy dispense, the more drugs they're going to 13 have to order from a distribution center, correct?</p> <p>14 A. That does make sense to me.</p> <p>15 Q. Okay. You understand the information in 16 paragraph 4 to be talking about how Walgreens 17 stores within the State of Florida gained an 18 increasingly large percentage of the oxycodone that 19 was dispensed within the state?</p> <p>20 A. I do read that here.</p> <p>21 Q. During this time period, 2009, 2010, 22 2011, 2012, who at Walgreens would be monitoring 23 this rise in volume in oxycodone going to Florida?</p> <p>24 MR. BENSINGER: Objection; foundation.</p>	<p style="text-align: right;">Page 92</p> <p>1 Q. And at least for some of that time 2 period the Florida PDMP is in effect?</p> <p>3 A. If the Florida PDMP started in 2011, 4 that would be correct.</p> <p>5 Q. Those programs, the good faith 6 dispensing, the drug utilization review and the 7 PDMP, again, assuming it's in place in a particular 8 state, would those same three programs be the same 9 safeguards that were in place regardless of what 10 state we're looking at?</p> <p>11 A. I think two for sure and then the PDMP 12 if one was active in that state.</p> <p>13 Q. Okay. So, the good faith dispensing and 14 the drug utilization review would have been the 15 safeguards in place in all 50 states and then 16 potentially a PDMP?</p> <p>17 A. Yeah, around dispensing purposes, 18 correct.</p> <p>19 Q. That would be the same answer if we're 20 talking about Ohio, correct?</p> <p>21 A. Yep.</p> <p>22 Q. Same answer if we're talking about West 23 Virginia?</p> <p>24 A. I don't -- well, West Virginia,</p>
<p style="text-align: right;">Page 91</p> <p>1 BY THE WITNESS:</p> <p>2 A. I don't know of anyone that would be 3 specifically monitoring any increase in oxycodone 4 specifically.</p> <p>5 BY MR. GADDY:</p> <p>6 Q. Do you know of any department or piece 7 of software that would be monitoring such an 8 increase in volume?</p> <p>9 MR. BENSINGER: Objection; compound, 10 foundation.</p> <p>11 BY THE WITNESS:</p> <p>12 A. I mean, it would be outside of my 13 general knowledge base in my role at the company 14 for me to know that type of information.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. And at the time that this increase is 17 happening, the 2010 with three Walgreens pharmacies 18 in the top 100, 2011, 38 Walgreens pharmacies in 19 the top 100, and 2012, 44 Walgreens pharmacies in 20 the top 100, as far as oxycodone prescriptions go, 21 during that time period the good faith dispensing 22 program and the drug utilization review are in 23 effect, correct?</p> <p>24 A. That's my understanding.</p>	<p style="text-align: right;">Page 93</p> <p>1 depending on the timing, we also have some of those 2 ID requirements. I forgot when that was 3 implemented as well. That could have been an 4 additional element.</p> <p>5 Q. If you look at paragraph 5, it says, 6 "According to DEA records, in 2011, Walgreens 7 operated 7,862 retail pharmacies in the 8 United States. Sixteen of the top 25 largest 9 Walgreens retail oxycodone purchasers, included the 10 top 6 purchasers" -- excuse me -- "including the 11 top 6 purchasers, were in Florida and supplied by 12 Respondent. The following table shows these six 13 stores and their yearly oxycodone purchases for 14 2009 through 2011."</p> <p>15 Do you see that and then do you also see 16 the chart on the following page?</p> <p>17 A. I do.</p> <p>18 Q. Okay. And do you understand the 19 information that this -- that this -- that this 20 chart is relaying and how it's set up as far as the 21 store location in the left-hand column and then the 22 oxycodone purchases by dosage unit for each of the 23 three years in the next three columns?</p> <p>24 A. Yeah, I do see those headings.</p>

<p style="text-align: right;">Page 94</p> <p>1 Q. And for the first store there in Hudson, 2 Florida, it looks like in 2009 they purchased 3 388,000 dosage units of oxycodone. 4 Do you see that? 5 A. Yes, I do. 6 Q. And the following year, 2010, they 7 purchased 913,000 dosage units, correct? 8 A. I see that. 9 Q. And in 2011, that same store purchased 10 over 2.2 million dosage units of oxycodone, 11 correct? 12 A. I do see that. 13 Q. Would you agree with my very rough math 14 that it looks like that's approximately a 5 times 15 increase in oxycodone purchases from 2009 to 2011? 16 A. In that range, yeah. 17 Q. And that occurred while this pharmacy 18 had a good faith dispensing program, correct? 19 A. Again, I don't remember exactly which 20 year the good faith dispensing policy started, but 21 at some point I would expect that would be in 22 place. 23 Q. This occurred while this pharmacy had 24 the drug utilization review, correct?</p>	<p style="text-align: right;">Page 96</p> <p>1 Q. And, again, this would have been while 2 Walgreens good faith dispensing program and the 3 drug utilization review and at least a little bit 4 of the prescription drug monitoring program were in 5 place, correct? 6 A. That is correct. 7 Q. I promise we won't look at all of them, 8 but this will be the last one we do. 9 But do you see No. 3, store 06997 for 10 Oviedo, Florida, in 2009 they ordered 80,000 dosage 11 units of oxycodone? 12 A. I see that. 13 Q. And in 2010 that went up to 223,000. Do 14 you see that? 15 A. I do see that. 16 Q. And that in 2011 it went up to over 17 1.6 million dosage units of oxycodone. 18 Do you see that? 19 A. I do. 20 Q. About how many times did those -- the 21 dosage unit of oxycodone purchased increased from 22 '09 to '11 with that particular store? 23 MR. BENSINGER: Objection; vague. 24 BY THE WITNESS:</p>
<p style="text-align: right;">Page 95</p> <p>1 A. That's correct. 2 Q. And assuming the PDMP went into place in 3 2011, at least a portion of it had the benefit of 4 the PDMP also? 5 A. That makes sense. 6 Q. If you look at the second entry there 7 for the Fort Myers store, 3099, you see that in 8 2009 they had 95,000 purchases of -- or excuse 9 me -- 95,000 dosage units of oxycodone that they 10 purchased, correct? 11 A. I do. 12 Q. In 2010, they purchased 496,000 dosage 13 units of oxycodone, correct? 14 A. I do. 15 Q. And, again, in 2011, it looks like they 16 purchased over 2.1 million dosage units of 17 oxycodone. 18 Do you see that? 19 A. I do see that. 20 Q. And, again, just using very, very rough 21 math, would you agree that's approximately a 20 22 times increase in the number of oxycodone dosage 23 units being purchased from 2009 to 2011? 24 A. In that range, yes.</p>	<p style="text-align: right;">Page 97</p> <p>1 A. Are you asking me to divide 1.6 million 2 by 80,000 roughly? 3 BY MR. GADDY: 4 Q. Roughly 16-time increase. Does that 5 sound about right? 6 A. Yeah, I -- I don't want to get hung up 7 on math, but it's an increase. 8 Q. You've got no reason to dispute at least 9 a 16-time increase in oxycodone dosage units going 10 to this particular Walgreens pharmacy from 2009 to 11 2011, do you? 12 A. Yes. 13 Q. And, again, just like the other two, 14 this would be while Walgreens' good faith 15 dispensing program was in place, while the drug 16 utilization review was in place and at least a 17 portion of it would have been while the Florida 18 PDMP was in place, correct? 19 A. That's correct. 20 Q. Did you, prior to us looking at this 21 information in this chart just now within this 22 Order to Show Cause that was issued by the DEA, did 23 you have any understanding that this amount of 24 oxycodone and this much of an increase of oxycodone</p>

<p style="text-align: right;">Page 98</p> <p>1 was going to Walgreens pharmacies during this time 2 period?</p> <p>3 A. I was not familiar with this extent in 4 2012, if that's what you're asking.</p> <p>5 Q. Did anybody with Walgreens ever sit down 6 with you or are you aware of them sitting down with 7 anybody else within Walgreens and saying, "This is 8 what happened in these situations in Florida. We 9 made mistakes. Let's learn from these mistakes and 10 put some corrective actions in place"?</p> <p>11 MR. BENSINGER: Objection; compound.</p> <p>12 BY THE WITNESS:</p> <p>13 A. And there is a lot there.</p> <p>14 MR. BENSINGER: Vague.</p> <p>15 BY THE WITNESS:</p> <p>16 A. But no one has reviewed these statistics 17 with me during my time at Walgreens in 2012, for 18 example. Whether or not they've had conversations 19 with other people, I don't know if I could speak to 20 that.</p> <p>21 BY MR. GADDY:</p> <p>22 Q. One of the areas that you had some 23 significant involvement in at Walgreens is the 24 prescription drug monitoring programs, correct?</p>	<p style="text-align: right;">Page 100</p> <p>1 When pharmacies report into the 2 prescription drug monitoring program there is no -- 3 it just goes into the State's database. So, the 4 State would probably have greater visibility into 5 that type of information. So, I wouldn't expect 6 someone to be actively using that data to monitor 7 the extent of any dispensings described in this 8 chart.</p> <p>9 BY MR. GADDY:</p> <p>10 Q. Okay. Walgreens' pharmacists in Florida 11 have access to the PDMP data in the State of 12 Florida, correct?</p> <p>13 A. Yeah, they have access to it, correct, 14 yep.</p> <p>15 Q. Are the Florida Walgreens pharmacists 16 encouraged to utilize that database to see whether 17 or not there are large increases in opioids being 18 dispensed by their pharmacy?</p> <p>19 MR. BENSINGER: Objection; foundation.</p> <p>20 BY THE WITNESS:</p> <p>21 A. That's not how a database is used by a 22 pharmacist, generally speaking. You would as a 23 pharmacist, upon receiving a prescription, if there 24 is any issues, concerns raised during your review</p>
<p style="text-align: right;">Page 99</p> <p>1 A. That is correct.</p> <p>2 Q. And you agree that, and we'll look at 3 the exact date in just a minute I promise, but I'll 4 represent to you that it's in 2011, one goes into 5 effect in the State of Florida.</p> <p>6 A. Okay.</p> <p>7 Q. You agree that Florida had a PDMP?</p> <p>8 A. Yes.</p> <p>9 Q. And has one today?</p> <p>10 A. Yes.</p> <p>11 Q. Did anybody ever come to you with these 12 numbers at Walgreens and ask you, "How are we 13 getting these increases in oxycodone prescriptions 14 when Florida's implemented a prescription drug 15 monitoring program"?</p> <p>16 MR. BENSINGER: Objection.</p> <p>17 BY THE WITNESS:</p> <p>18 A. I don't --</p> <p>19 MR. BENSINGER: Misleading.</p> <p>20 BY THE WITNESS:</p> <p>21 A. I don't think anyone would have that 22 type of conversation with me for a couple different 23 reasons because I think they are two separate 24 pieces.</p>	<p style="text-align: right;">Page 101</p> <p>1 or if there is a state law, rule that requires 2 otherwise on a case-by-case basis, you would be 3 looking at a specific patient and looking at their 4 controlled substance history for any trends of 5 misuse or overutilization.</p> <p>6 BY MR. GADDY:</p> <p>7 Q. So, the answer is no, Walgreens 8 pharmacists are not encouraged to look at the PDMP 9 to determine whether or not their particular 10 pharmacy or neighboring pharmacies are seeing a 11 large increase in the dispensing of controlled 12 substances?</p> <p>13 MR. BENSINGER: Objection; foundation.</p> <p>14 BY THE WITNESS:</p> <p>15 A. Walgreens pharmacists are -- have access 16 to the PDMP to review specific patients 17 information. You can't view other pharmacies' 18 information in that database.</p> <p>19 BY MR. GADDY:</p> <p>20 Q. If you will turn for me, please, to 21 page 39 down at the bottom of the page. 22 Do you see up at the top of the page it 23 says, "In view of the foregoing"? Do you see where 24 I am?</p>

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<p>1 A. I do see that.</p> <p>2 Q. It says, "In view of the foregoing, and 3 based on information before the agency as of the 4 issuance of this notice, it is my preliminary 5 finding pursuant to certain statutes that 6 Walgreens' continued registration is inconsistent 7 with the public interest."</p> <p>8 Do you see that?</p> <p>9 A. I do.</p> <p>10 Q. It goes on to say that "Under the 11 summarized facts and circumstances described 12 herein, it is also my preliminary finding, 13 significantly in light of the rampant and deadly 14 problem of prescription controlled substance abuse 15 in Florida, that Respondent's continued 16 registration while these proceedings are pending 17 constitutes an imminent danger to the public health 18 and safety."</p> <p>19 Do you see that?</p> <p>20 A. I do.</p> <p>21 Q. It says, "Accordingly, pursuant to the 22 provisions of certain statutes and regulations, 23 that the DEA Certificate of Registration," and it 24 gives the number, "is hereby suspended, effective</p>	<p>1 saying that?</p> <p>2 A. I do read that here.</p> <p>3 Q. Okay. Thinking back to those numbers of 4 oxycodone dosage units going to those different 5 pharmacies, do you agree with that statement that 6 pharmacies dispensing that much -- that many dosage 7 units of controlled substance is a danger to the 8 public safety?</p> <p>9 MR. BENSINGER: Objection; calls for a legal 10 conclusion.</p> <p>11 BY THE WITNESS:</p> <p>12 A. I think that -- it looks like they ruled 13 based upon a number of factors that there was a 14 danger as stated here. You know, looking at the 15 numbers on their own, I don't know if I can 16 independently just draw that conclusion because 17 there may be other factors involved.</p> <p>18 As pharmacies do dispense prescriptions, 19 it also relates to, you know, what prescriptions 20 are being dropped off at the pharmacy, what 21 patients, you know, what their needs are, you know, 22 general vicinity and things like that. That could 23 vary as well.</p> <p>24 BY MR. GADDY:</p>
<p>1 immediately."</p> <p>2 Do you see that?</p> <p>3 A. I do.</p> <p>4 Q. Did you have an understanding that the 5 DEA suspended the ability of the Jupiter 6 distribution center to distribute any controlled 7 substances?</p> <p>8 MR. BENSINGER: Objection; vague.</p> <p>9 BY THE WITNESS:</p> <p>10 A. At some point I became aware of the 11 Jupiter distribution center was not allowed to 12 distribute controlled substances.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. Okay. How did you become aware of that?</p> <p>15 A. It's hard for me to really remember.</p> <p>16 Again, it could have been through public, newspaper 17 headline type situation, article, could have been 18 through at work, you know, maybe general 19 conversation or something along those lines.</p> <p>20 Q. You understand that the DEA is saying 21 here that Walgreens' ability to continue to 22 distribute opioids from the Jupiter distribution 23 center constitutes an imminent danger to the public 24 health and safety. Do you understand them to be</p>	<p>1 Q. Okay. Is it normal for a pharmacy to 2 increase the amount of oxycodone that it's 3 dispensing by 5 times or 16 times or 20 times over 4 a two-year period?</p> <p>5 MR. BENSINGER: Objection; foundation.</p> <p>6 BY THE WITNESS:</p> <p>7 A. I couldn't -- I couldn't tell you that.</p> <p>8 BY MR. GADDY:</p> <p>9 Q. Do you agree or disagree or have no 10 opinion on the DEA's statement here that Walgreens 11 continuing to be able to distribute controlled 12 substances from the Jupiter, Florida distribution 13 center constitutes an imminent danger to the public 14 health and safety?</p> <p>15 A. I mean, reading the statement, obviously 16 that is a strong statement; and I would expect that 17 whatever findings that contributed to that 18 statement were based upon evidence that they would 19 review.</p> <p>20 Q. You'll agree that the DEA is an 21 authority when it comes to controlled substances 22 and monitoring the diversion and drug abuse 23 associated with them?</p> <p>24 A. They're an agency that's tasked with</p>

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<p>1 regulating controlled substances, and part of that 2 is ensuring that controlled substances are I guess 3 safely distributed from one point to the patient at 4 the end of that.</p> <p>5 Q. And when making decisions like the 6 statements that we have been looking at here in 7 this document, you would defer to the DEA and their 8 judgment on issues such as that?</p> <p>9 MR. BENSINGER: Objection.</p>	<p>1 deposition, have you ever seen this document?</p> <p>2 A. No.</p> <p>3 Q. If you don't mind, turn with me, please, 4 to page 7.</p> <p>5 A. 7 of 13? I guess that's the same either 6 way, right?</p> <p>7 Q. Yes, sir. Do you see at the top of the 8 page there is a heading that says, "Walgreens 9 General Obligations"?</p>
<p>10 BY THE WITNESS:</p> <p>11 A. I don't know if I would --</p> <p>12 MR. BENSINGER: Foundation.</p>	<p>10 A. I do.</p> <p>11 Q. And under paragraph C there do you see 12 the requirement that Walgreens pay \$80 million?</p>
<p>13 BY THE WITNESS:</p> <p>14 A. -- go that far. I think that they are 15 charged with enforcing the regulations. And, 16 again, I don't know the particulars of this case or 17 what would have prompted them to come with that 18 specific statement.</p>	<p>13 A. I do.</p> <p>14 Q. I think you told us earlier that that 15 was more money than you have, correct?</p>
<p>19 BY MR. GADDY:</p> <p>20 Q. You don't have any reason to disagree 21 with the statements the DEA is making here, do you?</p> <p>22 A. I wouldn't know enough about the 23 situation to go one way or the other.</p> <p>24 Q. Okay. So, this document we are looking</p>	<p>14 A. That's correct.</p> <p>15 Q. Okay. Do you agree or disagree that 16 that's a substantial civil settlement to pay?</p> <p>19 MR. BENSINGER: Objection; vague.</p> <p>20 BY THE WITNESS:</p> <p>21 A. I don't know what the range of civil 22 settlements is and I don't know what percentage of 23 this -- I mean, to some people maybe \$80 million 24 isn't a lot of money, but --</p>
<p>25 at was the Order to Show Cause. I want to spend 2 just a moment to look at the settlement agreement 3 itself. Okay. The settlement agreement is going 4 to be the very first page. We're just going to 5 start on the very first page of the document.</p> <p>6 A. Page 1 of 349?</p> <p>7 Q. Correct. Do you see above that there is 8 also a numbering that says page 1 of 13.</p> <p>9 Do you see that?</p> <p>10 A. Oh, I do.</p> <p>11 Q. And so that's going to be the settlement 12 agreement.</p> <p>13 You see there in the first paragraph at 14 the top of the page it says, "This Memorandum of 15 Agreement is entered into between the DOJ, the DEA 16 and Walgreens."</p> <p>17 Do you see that?</p> <p>18 A. I do read that.</p> <p>19 Q. And you've never seen this, correct?</p> <p>20 A. Not as part of my job or...</p> <p>21 Q. Have you ever seen this ever?</p> <p>22 A. Maybe during prep briefly.</p> <p>23 Q. Okay. Outside of the context of this 24 deposition or any preparation you did for this</p>	<p>25 Page 109</p> <p>1 BY MR. GADDY:</p> <p>2 Q. I'm sorry. I couldn't hear you.</p> <p>3 A. For some people \$80 million is, you 4 know, maybe not as much as other people like me.</p> <p>5 Q. To who do you think \$80 million would 6 not be a lot of money?</p> <p>7 A. Maybe some multi-billionaires.</p> <p>8 Q. Like Stefano Pessina?</p> <p>9 A. I don't know.</p> <p>10 Q. Is he a billionaire?</p> <p>11 A. He is.</p> <p>12 Q. He's Walgreens Boots Alliance' CEO?</p> <p>13 A. That's what I understand.</p> <p>14 Q. So, you think this probably wasn't a lot 15 of money to him?</p> <p>16 A. I don't -- I don't know. I'm not going 17 to speak for him specifically, but I'm just -- I 18 think I can put this in better context of the type 19 of money I have.</p> <p>20 Q. Okay. Do you have an understanding that 21 this is the largest settlement that had ever been 22 paid at the time related to this issue?</p> <p>23 A. I do not really know that until you 24 pointed it out earlier today.</p>

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<p>1 Q. Does that surprise you?</p> <p>2 A. Surprise me that this is the largest</p> <p>3 settlement? I mean, it's not an area that I'm</p> <p>4 actively monitoring, so I think any figure that you</p> <p>5 tell me, you know, I guess would be surprising</p> <p>6 because I wouldn't know it going in.</p> <p>7 Q. What is your take on the fact that</p> <p>8 you've spent your career with Walgreens from, you</p> <p>9 know, before you even graduated school in '98 all</p> <p>10 the way through today and that in 2013 the DEA shut</p> <p>11 down a distribution center because it said that</p> <p>12 Walgreens posed an imminent danger to the public</p> <p>13 health and safety and to get out of it, Walgreens</p> <p>14 had to pay the largest settlement ever to the DEA?</p> <p>15 How does that impact your opinion of Walgreens and</p> <p>16 the company that you work for?</p> <p>17 MR. BENSINGER: Objection. This is argument.</p> <p>18 BY THE WITNESS:</p> <p>19 A. I think there is a lot involved with a</p> <p>20 settlement in general. So, I don't know what</p> <p>21 prompted Walgreens to agree to the \$80 million.</p> <p>22 So, it's hard for me to speak to that, that piece.</p> <p>23 BY MR. GADDY:</p> <p>24 Q. Okay. In spite of everything that we've</p>	<p>1 maintain the following specific compliance measures</p> <p>2 for the duration of this agreement."</p> <p>3 Do you see that?</p> <p>4 A. I do.</p> <p>5 Q. And the first item listed under A.1,</p> <p>6 "General," it says, "Walgreens will maintain a</p> <p>7 Department of Pharmaceutical Integrity."</p> <p>8 Do you see that?</p> <p>9 A. I do.</p> <p>10 Q. I think we've talked about that a little</p> <p>11 bit already. You're familiar with the</p> <p>12 Pharmaceutical Integrity division, correct?</p> <p>13 A. I am.</p> <p>14 Q. Were you aware that the existence of</p> <p>15 that department is a requirement of the DEA</p> <p>16 settlement agreement?</p> <p>17 A. I may have heard of that at some point,</p> <p>18 but I don't think I ever saw this statement that</p> <p>19 would have prompted me to know that factually.</p> <p>20 Q. There was no Pharmaceutical Integrity</p> <p>21 unit while you were at Walgreens pharmacy, correct?</p> <p>22 A. While I was a pharmacist working in the</p> <p>23 stores there was no Pharmaceutical Integrity team.</p> <p>24 Q. That was a unit that was derived out of</p>
<p style="text-align: center;">Page 111</p> <p>1 looked at as it relates to this settlement, do you</p> <p>2 remain proud to be an employee of Walgreens?</p> <p>3 A. Yes, I do.</p> <p>4 Q. Flip for me, please, to page 11. You</p> <p>5 see this was signed by Walgreens on June 10, 2013.</p> <p>6 Do you see that?</p> <p>7 A. Yes.</p> <p>8 Q. Signed by it looks like a Thomas</p> <p>9 Sabatino?</p> <p>10 A. That's correct.</p> <p>11 Q. Do you know Mr. Sabatino?</p> <p>12 A. Not personally.</p> <p>13 Q. And if you'd flip for me, please, to</p> <p>14 page 14. There is actually an addendum to this</p> <p>15 settlement agreement.</p> <p>16 Do you see that?</p> <p>17 A. Page 14 of 349?</p> <p>18 Q. Yes, sir.</p> <p>19 A. Addendum. Title "Addendum: Prospective</p> <p>20 Compliance"?</p> <p>21 Q. Correct.</p> <p>22 A. Yes, I do see that.</p> <p>23 Q. And it says there in that first</p> <p>24 sentence, "The parties agree that Walgreens will</p>	<p style="text-align: center;">Page 113</p> <p>1 this process with the DEA, correct?</p> <p>2 A. That's what it looks like here.</p> <p>3 MR. BENSINGER: Objection; foundation.</p> <p>4 Mr. George, if you just permit me to</p> <p>5 interject my objection before you answer, please.</p> <p>6 BY MR. GADDY:</p> <p>7 Q. If you go to, you see section B starts</p> <p>8 talking about items that relates to pharmacies? Do</p> <p>9 you see that?</p> <p>10 A. I do.</p> <p>11 Q. And if you go to paragraph 4, you see</p> <p>12 that it says, "Walgreens remains committed to</p> <p>13 properly training its pharmacy personnel to deal</p> <p>14 with evolving diversion-related issues."</p> <p>15 Do you see that?</p> <p>16 A. Yes.</p> <p>17 Q. It says, "Walgreens will continue to</p> <p>18 enhance its good faith dispensing policy and</p> <p>19 training materials to identify red flags of</p> <p>20 potential diversion for pharmacists to consider in</p> <p>21 making professional judgments regarding the</p> <p>22 dispensing of controlled substances."</p> <p>23 Do you see that?</p> <p>24 A. I do read that.</p>

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<p>1 Q. Do you recall that there were 2 significant changes made to the good faith 3 dispensing program after this settlement?</p> <p>4 A. I remember a change made to the policy 5 that seemed to be more comprehensive.</p> <p>6 Q. And those changes were made after this 7 settlement was entered between Walgreens and the 8 DEA?</p> <p>9 A. When was the date of this settlement?</p> <p>10 Q. I think we just looked at it. June 10, 11 2013.</p> <p>12 A. Yeah, I don't know if the changes were 13 made in 2012, 2013 specifically, but...</p> <p>14 Q. Either while the DEA investigation was 15 happening or immediately after it. Would that be 16 fair?</p> <p>17 A. That would be fair.</p> <p>18 Q. And you see that a requirement of the 19 settlement agreement was that Walgreens had to 20 continue to enhance its good faith dispensing 21 policy, correct?</p> <p>22 A. That's correct.</p> <p>23 Q. Because we know that policy was in place 24 when we see this rise in oxycodone dosage units in</p>	<p>1 A. I do.</p> <p>2 Q. Okay. And you understand that up until 3 this agreement and up until the end of the year 4 2013, that one of the items that was calculated or 5 included in the calculus for determining a 6 pharmacist's bonus was how many prescriptions they 7 filled?</p> <p>8 MR. BENSINGER: Objection; foundation.</p> <p>9 BY THE WITNESS:</p> <p>10 A. I'm not specifically familiar with the 11 fundamentals involved with calculating the bonus. 12 I don't remember any specifics around controlled 13 substances at any point.</p> <p>14 BY MR. GADDY:</p> <p>15 Q. But you see here that part of the 16 settlement agreement in paragraph 6 on page 15 here 17 is that beginning in 2014 the DEA and Walgreens 18 agreed that Walgreens would exclude controlled 19 substance prescriptions dispensed as part of the 20 bonus computation for pharmacists.</p> <p>21 Do you see that?</p> <p>22 A. I do read that, yeah.</p> <p>23 Q. When you were a pharmacist from 2000 to 24 2006 with Walgreens, did a part of your</p>
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<p>1 some of those Walgreens pharmacies in Florida, 2 correct?</p> <p>3 A. Yeah, that's my understanding those were 4 already in effect.</p> <p>5 MR. BENSINGER: Mr. Gaddy, if you're going on 6 to another document, can we now take our next 7 break?</p> <p>8 MR. GADDY: Of course.</p> <p>9 THE VIDEOGRAPHER: We are off the record at 10 11:17 a.m.</p> <p>11 (WHEREUPON, a recess was had 12 from 11:17 to 11:25 a.m.)</p> <p>13 THE VIDEOGRAPHER: We are back on the record 14 at 11:25 a.m.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. Mr. George, I'm going to stay on the 17 same page and go down to Paragraph No. 6.</p> <p>18 A. Okay.</p> <p>19 Q. It says, "Beginning in 2014, Walgreens 20 will exclude any accounting for controlled 21 substance prescriptions dispensed by a particular 22 pharmacy from bonus computations from pharmacists 23 and pharmacy technicians at that pharmacy."</p> <p>24 Do you see that?</p>	<p>1 compensation package include bonuses?</p> <p>2 A. In position as pharmacy manager, I don't 3 recall receiving -- outside of being a pharmacy 4 manager, I don't recall really receiving a bonus, 5 but it may have been based upon the location, that 6 maybe we weren't as qualified for it. I don't 7 know.</p> <p>8 Q. Let me show you what I will mark as 9 Exhibit No. 6.</p> <p>10 (WHEREUPON, a certain document was 11 marked as Walgreens-George Exhibit 12 No. 6: Document, "Staff Pharmacist 13 Bonus Program"; P-WAG-01005.)</p> <p>14 BY MR. GADDY:</p> <p>15 Q. This is P-WAG-1005. Do you see up at 16 the top of the page it says, "Staff Pharmacist 17 Bonus Program"?</p> <p>18 A. I do see that.</p> <p>19 Q. Would that have been your role at 20 Walgreens from 2000 to 2004?</p> <p>21 A. Yes.</p> <p>22 Q. And under "Overview" it says, "The 23 purpose of the pharmacy bonus is to recognize and 24 reward the persons responsible for improving a</p>

<p style="text-align: right;">Page 118</p> <p>1 store's pharmacy operation."</p> <p>2 Do you see that?</p> <p>3 A. Yes, I do.</p> <p>4 Q. It goes on to say, "The best evidence of</p> <p>5 a well-run pharmacy is the increase in</p> <p>6 prescriptions and pharmacy sales."</p> <p>7 Do you see that?</p> <p>8 A. Yes I do.</p> <p>9 Q. Do you agree with that sentence?</p> <p>10 A. I think there is a lot more involved</p> <p>11 with running a pharmacy, but in general if you're</p> <p>12 providing good customer service and taking care of</p> <p>13 your patients, you won't lose prescriptions. So...</p> <p>14 But there is other factors that could be</p> <p>15 related to an increase in prescription sales that</p> <p>16 might not be related to a well-run pharmacy as</p> <p>17 well.</p> <p>18 Q. Well, just before the break we looked at</p> <p>19 a list of several stores that looked like they</p> <p>20 increased their controlled substance prescriptions</p> <p>21 by either 5, 16 or 20 times the volume that they</p> <p>22 are doing. Would you agree that that's evidence of</p> <p>23 a well-run pharmacy there?</p> <p>24 MR. BENSINGER: Objection; argumentative.</p>	<p style="text-align: right;">Page 120</p> <p>1 Q. The next one is "12-month unadjusted</p> <p>2 script," and in parentheses it says, "Number of</p> <p>3 scripts."</p> <p>4 Do you see that?</p> <p>5 A. I do.</p> <p>6 Q. And it says, "This means pharmacy</p> <p>7 department scripts filled during the 12-month bonus</p> <p>8 period excluding any 90-day adjustments."</p> <p>9 Do you see that?</p> <p>10 A. I do.</p> <p>11 Q. And do you see any indicator under that</p> <p>12 one, under that particular bonus component, that</p> <p>13 excludes prescriptions for controlled substances?</p> <p>14 A. I do not.</p> <p>15 MR. BENSINGER: Mr. Gaddy, I note that this</p> <p>16 document has no Bates number on it. I take it,</p> <p>17 therefore, that this is not a document that was</p> <p>18 produced by any party in the case.</p> <p>19 MR. GADDY: It was produced by Walgreens. I</p> <p>20 don't know if the Bates number got cut off when it</p> <p>21 was printed, but it's a Walgreens production</p> <p>22 document.</p> <p>23 MR. BENSINGER: I'd be grateful if you could</p> <p>24 inquire as to the Bates number so that I can</p>
<p style="text-align: right;">Page 119</p> <p>1 BY THE WITNESS:</p> <p>2 A. I don't know if that's how I would</p> <p>3 correlate the two.</p> <p>4 BY MR. GADDY:</p> <p>5 Q. Okay. So, let me just ask you again.</p> <p>6 Do you agree or disagree that the best evidence of</p> <p>7 a well-run pharmacy is the increase in prescription</p> <p>8 in sales?</p> <p>9 A. I do not categorically agree with that</p> <p>10 sentence.</p> <p>11 Q. And if you look down at the bottom of</p> <p>12 the page it says, "Definition of Bonus Components."</p> <p>13 Do you see that?</p> <p>14 A. I do see that.</p> <p>15 Q. And the first item listed there is</p> <p>16 "12-month sales."</p> <p>17 Do you see that?</p> <p>18 A. Yes.</p> <p>19 Q. It says, "This means the pharmacy</p> <p>20 department sales (both prescription and</p> <p>21 prescription miscellaneous) during the 12-month</p> <p>22 bonus period."</p> <p>23 Do you see that?</p> <p>24 A. I do.</p>	<p style="text-align: right;">Page 121</p> <p>1 understand whether in fact this document was</p> <p>2 produced by Walgreens or you obtained it from some</p> <p>3 other source.</p> <p>4 MR. GADDY: It's up there on the screen.</p> <p>5 MR. BENSINGER: Am I to understand, then, that</p> <p>6 the physical hard copy that you have marked has</p> <p>7 omitted the Bates number?</p> <p>8 MR. GADDY: It looks like it didn't -- didn't</p> <p>9 get transferred there when the document was</p> <p>10 printed.</p> <p>11 MR. BENSINGER: Could you identify the</p> <p>12 document for the record since the exhibit itself</p> <p>13 has omitted the Bates number so that we have a</p> <p>14 clear transcript.</p> <p>15 MR. GADDY: Sure, it looks like WAGFLDEA7.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. Mr. George, I can't remember where we</p> <p>18 left off, but in the second bonus component you see</p> <p>19 that it takes into account the number of</p> <p>20 prescriptions that were filled?</p> <p>21 A. I do see that.</p> <p>22 Q. And do you see any indication that it</p> <p>23 exempts or excludes from that calculation</p> <p>24 prescriptions for controlled substances?</p>

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<p>1 A. I do not.</p> <p>2 Q. And would it make sense to you, then,</p> <p>3 that that's the program that DEA is talking about</p> <p>4 when they are telling Walgreens that they can no</p> <p>5 longer account for controlled substance</p> <p>6 prescriptions in bonus calculations?</p> <p>7 MR. BENSINGER: Objection; calls for</p> <p>8 speculation, foundation.</p> <p>9 BY THE WITNESS:</p> <p>10 A. I'm just comparing both documents. I</p> <p>11 mean, you know, this is apparently -- I've never</p> <p>12 seen this document before. So, that's the only</p> <p>13 part, you know. Obviously I understand there was a</p> <p>14 bonus program. Is there multiple bonus programs,</p> <p>15 you know.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. You see at the top of the page this is a</p> <p>18 staff pharmacist bonus program, correct?</p> <p>19 A. Yes.</p> <p>20 Q. And you see that one of the components</p> <p>21 of the staff pharmacist bonus was the number of</p> <p>22 prescriptions filled?</p> <p>23 A. Yes.</p> <p>24 Q. And that would have included</p>	<p>1 Q. And if you look under the primary bonus,</p> <p>2 the components are last year's 12-month</p> <p>3 prescription sales, correct?</p> <p>4 A. Yes.</p> <p>5 Q. Which would include -- you didn't see</p> <p>6 anywhere where controlled substances were segmented</p> <p>7 out of that, did you?</p> <p>8 A. I have not seen that yet.</p> <p>9 Q. So, that would include controlled</p> <p>10 substances, correct?</p> <p>11 MR. BENSINGER: Objection; foundation.</p> <p>12 BY THE WITNESS:</p> <p>13 A. If it's not excluded, then it would be</p> <p>14 included I assume.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. And the other inclusion or the other</p> <p>17 component is last year's 12-month adjusted scripts.</p> <p>18 Do you see that?</p> <p>19 A. I do see that.</p> <p>20 Q. And, again, controlled substances</p> <p>21 weren't excluded out of that, were they?</p> <p>22 MR. BENSINGER: Same objection.</p> <p>23 BY THE WITNESS:</p> <p>24 A. I don't see any notation here.</p>
<p>1 prescriptions for controlled substances, correct?</p> <p>2 MR. BENSINGER: Objection; foundation.</p> <p>3 BY THE WITNESS:</p> <p>4 A. It seems to me it's a general reference</p> <p>5 to the script volume for that store. Controlled</p> <p>6 substance or non-controlled substance aren't</p> <p>7 segmented out one way or the other.</p> <p>8 Q. And the more prescriptions that were</p> <p>9 filled, the bigger the bonus would be, correct?</p> <p>10 MR. BENSINGER: Objection; foundation.</p> <p>11 BY THE WITNESS:</p> <p>12 A. It says that the number of prescriptions</p> <p>13 dispensed is a component of the bonus. I don't --</p> <p>14 I haven't read the rest of the document to see how</p> <p>15 that plays out.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. Okay. If you turn the page and look at</p> <p>18 the bonus formula, which is about two-thirds of the</p> <p>19 way down the page. Do you see where I am?</p> <p>20 A. Yes.</p> <p>21 Q. And it lists a primary, an improvement</p> <p>22 and then the total bonus.</p> <p>23 Do you see that?</p> <p>24 A. Yes.</p>	<p>1 BY MR. GADDY:</p> <p>2 Q. And as far as calculating the primary</p> <p>3 bonus for a staff pharmacist, the bigger the sales</p> <p>4 and the bigger the number of scripts, the bigger</p> <p>5 the bonus, correct?</p> <p>6 A. Looking at the primary specifically if</p> <p>7 you were comparing two stores, I would see a larger</p> <p>8 number under the primary bucket if store B's</p> <p>9 prescription volume was greater than store A's.</p> <p>10 Q. Okay. So, yes, the more sales including</p> <p>11 controlled substances and the more prescriptions</p> <p>12 filled including controlled substances, the bigger</p> <p>13 the bonus, correct?</p> <p>14 MR. BENSINGER: Objection; foundation.</p> <p>15 BY THE WITNESS:</p> <p>16 A. Prescriptions in general, there would be</p> <p>17 a bigger bonus. It now -- I don't think it says</p> <p>18 controlled substances or not. So, if prescriptions</p> <p>19 went up and the controlled substance went down, the</p> <p>20 store would also be eligible for a larger bonus</p> <p>21 based upon this primary calculation.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. Okay. But every prescription for a</p> <p>24 controlled substance that is filled by the store</p>

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<p>1 increases the bonus size for that particular store?</p> <p>2 MR. BENSINGER: Objection; foundation.</p> <p>3 BY THE WITNESS:</p> <p>4 A. As controlled substances would</p> <p>5 contribute to total volume is what you're</p> <p>6 suggesting in the calculation, that's what it would</p> <p>7 suggest, yes.</p> <p>8 BY MR. GADDY:</p> <p>9 Q. Let me show you what I'll mark as</p> <p>10 Exhibit No. 7.</p> <p>11 (WHEREUPON, a certain document was</p> <p>12 marked as Walgreens-George Exhibit</p> <p>13 No. 7: Document, "Pharmacy Manager</p> <p>14 Bonus Program"; WAG00000001 -</p> <p>15 00000005.)</p> <p>16 BY MR. GADDY:</p> <p>17 Q. This is P-WAG-2076. Do you see at the</p> <p>18 top of the page here, this is the pharmacy manager</p> <p>19 bonus program?</p> <p>20 A. Yes, I do read that.</p> <p>21 Q. And this would have been the position</p> <p>22 that you were in from 2004 through 2006?</p> <p>23 A. April 2004 to approximately March of</p> <p>24 2006.</p>	<p>1 MR. BENSINGER: Objection; foundation.</p> <p>2 BY THE WITNESS:</p> <p>3 A. It doesn't say that it would exclude</p> <p>4 controlled substances. So I would assume it</p> <p>5 includes it.</p> <p>6 BY MR. GADDY:</p> <p>7 Q. The next component is the 12-month</p> <p>8 unadjusted script saying number of scripts. It</p> <p>9 says, "This means pharmacy department scripts</p> <p>10 filled during the 12-month bonus period excluding</p> <p>11 any 90-day adjustments."</p> <p>12 Do you see that?</p> <p>13 A. I do.</p> <p>14 Q. Do you see where controlled substance</p> <p>15 prescriptions are excluded?</p> <p>16 A. I don't see any references to controlled</p> <p>17 substances one way or the other.</p> <p>18 Q. Would that indicate to you that</p> <p>19 prescriptions for OxyContin are included here?</p> <p>20 MR. BENSINGER: Objection; foundation.</p> <p>21 BY THE WITNESS:</p> <p>22 A. Given that it doesn't exclude controlled</p> <p>23 substances or make any notation and it's a general</p> <p>24 reference to prescription volume, then OxyContin I</p>
<p>1 Q. And if you look under the "Overview"</p> <p>2 section, you see that it says, "The purpose of the</p> <p>3 pharmacy bonus is to recognize and reward the</p> <p>4 persons responsible for improving a store's</p> <p>5 pharmacy operation."</p> <p>6 Do you see that?</p> <p>7 A. I do read that.</p> <p>8 Q. And, again, it says, "The best evidence</p> <p>9 of a well-run pharmacy is the increase in</p> <p>10 prescriptions and pharmacy sales."</p> <p>11 Do you see that?</p> <p>12 A. I do read that.</p> <p>13 Q. I think you've already told us you don't</p> <p>14 completely agree with that sentence?</p> <p>15 A. That's correct.</p> <p>16 Q. And if we go down and look at the</p> <p>17 components of the bonus for a pharmacy manager, the</p> <p>18 first component is the 12-month sales meaning</p> <p>19 pharmacy department sales, both prescription and</p> <p>20 prescription miscellaneous.</p> <p>21 Do you see that?</p> <p>22 A. I do.</p> <p>23 Q. And that would include controlled</p> <p>24 substances, correct?</p>	<p>1 believe would fall under that category.</p> <p>2 BY MR. GADDY:</p> <p>3 Q. Would that indicate to you the</p> <p>4 prescriptions for Vicodin and Lortab are included</p> <p>5 in this bonus calculation?</p> <p>6 A. Along the same methodology, being a</p> <p>7 prescription, this seems to be referencing</p> <p>8 prescription volume, then I think they would be</p> <p>9 treated the same.</p> <p>10 Q. Would this include to you the</p> <p>11 prescriptions for fentanyl would be included in</p> <p>12 this pharmacy manager bonus calculation?</p> <p>13 MR. BENSINGER: Objection; foundation.</p> <p>14 BY THE WITNESS:</p> <p>15 A. I think fentanyl, along with any other</p> <p>16 prescription drug, controlled substance or not</p> <p>17 controlled substance, would be included within this</p> <p>18 calculation.</p> <p>19 BY MR. GADDY:</p> <p>20 Q. It goes down, it says, "Average daily</p> <p>21 scripts. This means the calculated average per day</p> <p>22 the number of scripts the pharmacy department</p> <p>23 filled during the 12-month bonus period not</p> <p>24 including adjustment for 90-day scripts."</p>

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<p>1 Do you see that?</p> <p>2 A. I do see this.</p> <p>3 Q. Would your answers be the same as far as</p> <p>4 those particular drugs, whether it's oxycodone,</p> <p>5 hydrocodone combination products or fentanyl, as</p> <p>6 far as you can tell those would all be included</p> <p>7 here too, correct?</p> <p>8 A. Yep, I don't see any references that</p> <p>9 indicate it would be excluded.</p> <p>10 Q. And if you look to the next page under</p> <p>11 "Bonus Formula." Do you see where I am?</p> <p>12 A. Yeah, towards the bottom?</p> <p>13 Q. Correct.</p> <p>14 A. Okay.</p> <p>15 Q. And do you agree with me that just like</p> <p>16 the staff pharmacist bonus structure that we just</p> <p>17 looked at, that the more controlled substances that</p> <p>18 are sold and the more controlled substance</p> <p>19 prescriptions that are filled, the bigger the bonus</p> <p>20 is going to be?</p> <p>21 MR. BENSINGER: Objection; foundation.</p> <p>22 BY THE WITNESS:</p> <p>23 A. I would -- what I would say is that they</p> <p>24 fill more prescriptions in general, then they would</p>	<p>1 No. 8: Document, "Senior Certified</p> <p>2 Technician Bonus Plan Details";</p> <p>3 P-WAG-01005.)</p> <p>4 MR. GADDY: Pete, it looks like we have the</p> <p>5 same printing issue here. This is Bates No. WAG 6</p> <p>6 or WAGFLDEA6.</p> <p>7 MR. BENSINGER: Could you identify the WAGDEA</p> <p>8 Bates number of what you marked as George</p> <p>9 Exhibit 7. It appears that Bates number was also</p> <p>10 omitted from the paper document you've marked as</p> <p>11 George Exhibit 7.</p> <p>12 MR. GADDY: It's 7 also.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. You with me on Exhibit No. 8?</p> <p>15 A. Senior certified technician bonus plan</p> <p>16 details.</p> <p>17 Q. Correct. And it looks like at the top</p> <p>18 of the page this bonus plan went into effect May 1,</p> <p>19 2009. Do you see that?</p> <p>20 A. I do see that.</p> <p>21 Q. Second bullet point says, "Premium pay</p> <p>22 based on average script per day for home store, not</p> <p>23 individual performance."</p> <p>24 Do you see that?</p>
<p>1 be -- one store could fill more controlled</p> <p>2 substances than another store but the other store</p> <p>3 might be eligible for a higher bonus because their</p> <p>4 overall prescription volume might be higher.</p> <p>5 BY MR. GADDY:</p> <p>6 Q. My question is: When a customer comes</p> <p>7 into a pharmacy under this bonus plan and that</p> <p>8 customer presents a prescription for OxyContin or</p> <p>9 Vicodin or hydrocodone or any hydrocodone</p> <p>10 combination product or fentanyl and that pharmacist</p> <p>11 fills that prescription, that increases that</p> <p>12 pharmacist's bonus, correct?</p> <p>13 MR. BENSINGER: Objection; foundation.</p> <p>14 BY THE WITNESS:</p> <p>15 A. Any prescription brought to that</p> <p>16 pharmacist could increase that pharmacist's bonus.</p> <p>17 BY MR. GADDY:</p> <p>18 Q. Even the ones for OxyContin, Vicodin,</p> <p>19 Lortab, fentanyl, correct?</p> <p>20 A. Yes.</p> <p>21 Q. I show you what I'll mark as</p> <p>22 Exhibit No. 8.</p> <p>23 (WHEREUPON, a certain document was</p> <p>24 marked as Walgreens-George Exhibit</p>	<p>1 A. I do.</p> <p>2 Q. And then it says it's paid out on the</p> <p>3 tiers below.</p> <p>4 Do you see that?</p> <p>5 A. I do.</p> <p>6 Q. Do you see anywhere in this particular</p> <p>7 document that controlled substances are excluded</p> <p>8 from the calculation of a senior certified</p> <p>9 technician's bonus?</p> <p>10 A. I do not see any references to</p> <p>11 controlled substances or non-controlled substances</p> <p>12 in this calculation.</p> <p>13 Q. And if you look at the calculation there</p> <p>14 in the middle of the page, do you agree with me</p> <p>15 that the more prescriptions filled per day, the</p> <p>16 higher the bonus plan is?</p> <p>17 MR. BENSINGER: Objection; foundation.</p> <p>18 BY THE WITNESS:</p> <p>19 A. It says here, the way I'm reading it, if</p> <p>20 a pharmacy averages more prescriptions in a given</p> <p>21 day, that the senior certified technician bonus is</p> <p>22 eligible at a higher tier, which is a certain</p> <p>23 dollar per hour increase.</p> <p>24 BY MR. GADDY:</p>

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<p>1 Q. Would you agree with me there is a 2 financial incentive for there to be more 3 prescriptions filled on a daily basis? 4 MR. BENSINGER: Objection to form. 5 BY THE WITNESS: 6 A. You know, I don't know if I see this as 7 an incentive for filling more prescriptions. The 8 way that we always viewed this is if you're 9 providing good customer service, you will hopefully 10 see the results of that in increased volume and 11 part of that would be a share reward of sorts for 12 that performance. 13 BY MR. GADDY: 14 Q. Is it true or not that the more 15 prescriptions are filled on a daily basis for this 16 particular plan, the higher pay structure or bonus 17 structure a senior certified technician would fall 18 into? 19 MR. BENSINGER: Objection; foundation. 20 BY THE WITNESS: 21 A. I mean, that's what I read here that 22 there is a higher tier that would be eligible based 23 upon prescription average. 24 BY MR. GADDY:</p>	<p>1 consideration into how big of a bonus a certified 2 technician gets is the number of average 3 prescriptions filled per day, correct? 4 MR. BENSINGER: Objection; foundation. 5 BY THE WITNESS: 6 A. I'm just reviewing the second component 7 on this page. 8 The only references I see on this 9 page are related to prescription volume. 10 BY MR. GADDY: 11 Q. Were you aware of a prior settlement 12 between Walgreens and the DEA revolving around 13 allegations that Walgreens had a pharmacy operating 14 in violation of the Controlled Substance Act in 15 San Diego, California? 16 A. I may have remembered a conversation 17 with legal in reference to a DEA situation in 18 San Diego, but I don't know if it's one and the 19 same. 20 Q. Okay. With this settlement agreement 21 that we just looked at, do you recall that it was 22 signed June 10, 2013? Does that sound right? 23 A. June 2013. I don't know if it was 10 or 24 11.</p>
<p style="text-align: center;">Page 135</p> <p>1 Q. You've mentioned customer service 2 several times. Is there a factor that you see in 3 this bonus plan that takes into account any sort of 4 customer feedback or survey results from customers, 5 anything like that? 6 A. I do not see that in what we've reviewed 7 so far. 8 Q. Would you agree that in all of the bonus 9 structures that we reviewed there was no 10 consideration of customer feedback, customer survey 11 results, customer satisfaction results in any of 12 those bonus plans? 13 A. Well, at least what you presented to me. 14 Again, I was not familiar with these documents 15 prior to this. But what we've reviewed so far, 16 I've not seen any reference to those themes. 17 Q. In fact, the only components of the 18 bonus plans that we looked at for the staff 19 pharmacist and the pharmacy manager dealt with the 20 number of prescriptions and the amount of sales for 21 a pharmacy, correct? 22 A. So far that's what we reviewed. 23 Q. And as we looked at the bonus plan for a 24 certified pharmacy technician, the only</p>	<p style="text-align: center;">Page 137</p> <p>1 Q. June 2013. We can agree on that? 2 A. Um-hmm. 3 Q. I show you what I'll mark as 4 Exhibit No. 9. 5 (WHEREUPON, a certain document was 6 marked as Walgreens-George Exhibit 7 No. 9: 2/19/13 e-mail with 8 attachment; WAGMDL00574919 - 9 00574926.) 10 BY MR. GADDY: 11 Q. Do you see that this is a -- cover 12 page here is an e-mail from Tasha Polster? 13 A. I do see that. 14 Q. Do you know who Ms. Polster is? 15 A. At this time she was the director of the 16 Pharmaceutical Integrity Department. 17 Q. Do your job duties cause you to interact 18 with her or her team at all? 19 A. Yes, and for a period of time I did 20 report to Tasha Polster. 21 Q. Okay. During what period of time did 22 you report to her? 23 A. April -- I'm sorry. I think maybe -- 24 let's go with spring of 2015 until I took on my new</p>

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1 position in January 2016. So, maybe nine months 2 roughly.	1 says, "On September 30, 2009, the Deputy Assistant 2 Administrator, Office of Diversion Control, DEA, 3 issued an Order to Show Cause proposing to revoke 4 the DEA Certificate of Registration" of a 5 particular Walgreens store located in San Diego, 6 California.
3 Q. Okay. And your job duties during that 4 time frame related to what we went over earlier on 5 your --	7 Do you see that?
6 A. Yes, yes.	8 A. I do.
7 Q. -- on your resume?	9 Q. Does this jog your memory to the issue 10 that about a DEA investigation into a particular 11 Walgreens pharmacy?
8 A. It was not part of the Pharmaceutical 9 Integrity function at all.	12 A. I mean, in general I know of San Diego, 13 Colorado DEA possibly. That's -- but, again, I 14 can't confirm that this is the exact location that 15 I have in mind.
10 Q. It had nothing to do with suspicious 11 order monitoring?	16 Q. Did you have any involvement with 17 responding to any subpoenas issued or Orders to 18 Show Cause that were sent to Walgreens related to 19 this?
12 A. No.	20 A. Not that I remember.
13 Q. Or distribution?	21 Q. Okay. It goes on in the next paragraph 22 to say the Order to Show Cause alleged that this 23 particular Walgreens -- you recognize that 24 Walgreens with the number after it to be one
14 A. No.	
15 Q. Or any of that stuff?	
16 A. No.	
17 Q. Okay. Do you see the subject line of 18 this e-mail is "MOA"?	
19 A. I do.	
20 Q. And in the body Tasha writes, "Please 21 find a copy of the MOA, with my notes on it as to 22 which part is handled by whom."	
23 Do you see that?	
24 A. I do.	
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1 Q. And if you turn the page, do you see at 2 the top it says "Administrative Memorandum of 3 Agreement."	1 particular Walgreens store?
4 Do you see that?	2 A. Yeah, Walgreens No. 6094.
5 A. Yes.	3 Q. Each store has its own number?
6 Q. And it looks to be a fairly similar 7 structure type document that we spent a lot of time 8 looking at earlier?	4 A. Yes, correct.
9 MR. BENSINGER: Objection; vague.	5 Q. So the Order to Show Cause alleged that 6 this particular Walgreens "dispensed controlled 7 substances to individuals based on purported 8 prescriptions issued by physicians who were not 9 licensed to practice medicine in California, they 10 dispensed controlled substances to individuals 11 located in California based on Internet 12 prescriptions issued by physicians for other than a 13 legitimate medical purpose and/or the outside the 14 usual course of professional practice, and they 15 dispensed controlled substances to individuals that 16 that particular store knew or should have known 17 were diverting the controlled substances."
10 BY THE WITNESS:	18 Do you see that?
11 A. I mean, I think some of the -- some of 12 the particulars are different, right.	19 A. I do read that.
13 BY MR. GADDY:	20 Q. If you look at the last page of this 21 document, 7 of 7, do you see that this agreement 22 was signed by Richard Ashworth with Walgreens in 23 March of 2011?
14 Q. You recognize it to be a different 15 document?	24 A. I do see that.
16 A. Right.	
17 Q. Okay. Good deal. Do you see at the top 18 it says, "This Administrative Memorandum of 19 Agreement is entered into by," it says, "DEA and 20 Walgreens."	
21 Do you see that?	
22 A. I do.	
23 Q. And then under "Background," it says, 24 "On September 30," in the first paragraph there, it	

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<p>1 Q. That would be about two years, two years 2 and three months before the other settlement was 3 entered, correct?</p> <p>4 A. Yeah, the one from June of 2013 you're 5 saying.</p> <p>6 Q. Right.</p> <p>7 A. Yes.</p> <p>8 Q. So, this settlement was entered in 9 March of 2011 and after this one was over, we had 10 the Florida investigation, correct?</p> <p>11 A. That's correct.</p> <p>12 Q. And if you turn to page 2 of 7, do you 13 see under paragraph 4 it says, "Obligations of 14 Walgreens"?</p> <p>15 A. 2 of 7, yep. And "Obligations of 16 Walgreens," correct.</p> <p>17 Q. And you see there you've got some notes 18 on the sides of the page there?</p> <p>19 A. Yes.</p> <p>20 Q. And you recall from the body of the 21 e-mail that Ms. Polster had written, "Here's a copy 22 of the MOA with my notes on it" showing who handles 23 what.</p> <p>24 A. Yes, I read that.</p>	<p>1 of controlled substances as required under the 2 Controlled Substance Act and applicable DEA 3 regulations."</p> <p>4 Do you see that?</p> <p>5 A. Yes, yes.</p> <p>6 Q. And that was an agreement that Walgreens 7 entered into back in March of 2011, correct?</p> <p>8 A. Yes.</p> <p>9 Q. It goes on in that paragraph to say, 10 "This program shall include procedures to identify 11 the common signs associated with the diversion of 12 controlled substances, including but not limited to 13 doctor shopping and requests for early refills."</p> <p>14 Do you see that?</p> <p>15 A. I do.</p> <p>16 Q. And this was an agreement, again, that 17 Walgreens made two years prior to entering into the 18 Florida settlement agreement that we've spent some 19 time looking at earlier today?</p> <p>20 A. Yes.</p> <p>21 Q. Out to the side of paragraph A do you 22 see where Ms. Polster writes, "This is in the good 23 faith dispensing policy."</p> <p>24 Do you see that?</p>
<p style="text-align: center;">Page 143</p> <p>1 Q. Okay. And under 4.a, this -- this 2 obligation that Walgreens agreed to back in 3 March of 2011 says, "Walgreens agrees to maintain a 4 compliance program to detect and prevent the 5 diversion of controlled substances."</p> <p>6 Do you see that, paragraph 4.a?</p> <p>7 A. 4.a.</p> <p>8 Q. I'm on page 2 of 7.</p> <p>9 A. Can you start at the beginning of that 10 sentence again?</p> <p>11 Q. It's the very first sentence.</p> <p>12 A. Oh.</p> <p>13 Q. "Walgreens agrees to maintain."</p> <p>14 A. Okay, yep.</p> <p>15 Q. You with me?</p> <p>16 A. Yep.</p> <p>17 Q. Okay. And it will be up on the -- I 18 should have told this earlier but it will always be 19 up on the screens, too.</p> <p>20 A. Oh, okay.</p> <p>21 Q. If you want to look there.</p> <p>22 A. Thank you.</p> <p>23 Q. "Walgreens agrees to maintain a 24 compliance program to detect and prevent diversion</p>	<p style="text-align: center;">Page 145</p> <p>1 A. Yes, I do.</p> <p>2 Q. And that's the policy that I think you 3 told us was in effect prior to a lot of the 4 allegations that we saw in the Florida issue, 5 correct?</p> <p>6 A. That's correct.</p> <p>7 Q. And that would have been a policy that 8 was in effect at the time of the San Diego problem 9 as well, correct?</p> <p>10 A. San Diego, what date should I be using 11 for that reference? Are you saying 2009?</p> <p>12 Q. Correct.</p> <p>13 A. Yeah. I expect there was a good faith 14 dispensing policy in advance of that 2009 date.</p> <p>15 Q. The next paragraph, B, says, "Walgreens 16 shall implement a system to notify the local DEA 17 office within two business days of refusal to fill 18 a prescription for a controlled substance."</p> <p>19 Do you see that?</p> <p>20 A. I do.</p> <p>21 MR. BENSINGER: I object to the incomplete 22 recitation of the sentence and direct you to the 23 entirety of the sentence.</p> <p>24 BY MR. GADDY:</p>

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<p>1 Q. In paragraph C you see it says,</p> <p>2 "Walgreens shall implement and maintain policies</p> <p>3 and procedures to ensure that prescriptions for</p> <p>4 controlled substances are only dispensed to</p> <p>5 authorized individuals pursuant to federal and</p> <p>6 state law and regulations."</p> <p>7 Do you see that?</p> <p>8 A. I do see that.</p> <p>9 Q. And again, over to the side do you see</p> <p>10 where Ms. Polster writes that that's in the good</p> <p>11 faith dispensing policy?</p> <p>12 A. I do see that.</p> <p>13 Q. And that's a policy that would have been</p> <p>14 in place prior to this September 2009 San Diego</p> <p>15 issue and prior to the issues that we saw in</p> <p>16 Florida in that settlement agreement as well,</p> <p>17 correct?</p> <p>18 A. You know what's not clear to me is her</p> <p>19 e-mail is dated 2013. The 2009 date's referenced</p> <p>20 on page 1 of 7. So, I don't know these comments if</p> <p>21 they are related to what was in effect in 2013 or</p> <p>22 prior to 2009.</p> <p>23 Q. Okay. That's fair. If you go to the</p> <p>24 next, next page, in paragraph D it states,</p>	<p>1 A. The paragraph seems to be associated</p> <p>2 with my name.</p> <p>3 Q. Okay. Were you involved in any meetings</p> <p>4 with Ms. Polster or anybody else at Walgreens</p> <p>5 wherein you went through this settlement agreement</p> <p>6 and had explained to you which agreements Walgreens</p> <p>7 had made with DEA that you were responsible for</p> <p>8 filling?</p> <p>9 A. I don't remember having that type of</p> <p>10 meeting.</p> <p>11 Q. Do you remember Ms. Polster ever telling</p> <p>12 you that you had a responsibility for complying</p> <p>13 with a settlement agreement that Walgreens had</p> <p>14 entered into with DEA?</p> <p>15 A. Not a settlement agreement. I don't</p> <p>16 think she framed it that way.</p> <p>17 Q. Do you remember Ms. Polster -- or I</p> <p>18 think the other person copied on this e-mail was</p> <p>19 Rex Swords. Do you know who that is?</p> <p>20 A. Yes.</p> <p>21 Q. Who is Mr. Swords?</p> <p>22 A. At the time I think he was Tasha's boss.</p> <p>23 I think his roles have changed since that time.</p> <p>24 Q. Do you recall either Ms. Polster,</p>
<p style="text-align: center;">Page 147</p> <p>1 "Walgreens shall not knowingly fill an invalid</p> <p>2 prescription or prescription that it reasonably</p> <p>3 believes was issued for other than a legitimate</p> <p>4 medical purpose or by a practitioner acting outside</p> <p>5 the usual course of professional practice."</p> <p>6 Do you see that?</p> <p>7 A. I do read that.</p> <p>8 Q. And, again, that's an agreement that</p> <p>9 Walgreens made back in March of 2011, correct?</p> <p>10 A. That's correct.</p> <p>11 Q. If you go down to paragraph G, I think</p> <p>12 we see where you start to come into play here?</p> <p>13 A. Um-hmm.</p> <p>14 Q. Paragraph G, it says, "All dispensing</p> <p>15 records submitted by Walgreens to prescription</p> <p>16 monitoring programs (in those states that have or</p> <p>17 will implement such a system) shall, to the effect</p> <p>18 required under applicable state law, contain a</p> <p>19 prescriber's valid, active DEA registration</p> <p>20 number."</p> <p>21 Do you see that?</p> <p>22 A. I do see this.</p> <p>23 Q. And that says it's handled by you,</p> <p>24 correct?</p>	<p style="text-align: center;">Page 149</p> <p>1 Mr. Swords or anybody else at Walgreens showing you</p> <p>2 this settlement agreement between Walgreens and the</p> <p>3 DEA and explaining to you what Walgreens had agreed</p> <p>4 to do?</p> <p>5 A. I do not remember that.</p> <p>6 Q. Did anybody tell you that you had a</p> <p>7 responsibility for some aspects of the settlement</p> <p>8 that Walgreens had entered into with DEA?</p> <p>9 A. No.</p> <p>10 Q. Paragraph H, it says, "Walgreens shall</p> <p>11 provide pharmacists with access to state PMPs and</p> <p>12 pharmacists shall be required to follow state</p> <p>13 guidelines and requirements for use and review of</p> <p>14 information provided by the state PMP on dispensing</p> <p>15 controlled substances."</p> <p>16 Do you see that?</p> <p>17 A. I do.</p> <p>18 Q. On the notes on the side, it looks like</p> <p>19 Ms. Polster writes, "All states where PMP is</p> <p>20 available have the firewalls down so stores can</p> <p>21 access the site."</p> <p>22 What does that mean?</p> <p>23 MR. BENSINGER: Objection; foundation.</p> <p>24 BY THE WITNESS:</p>

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<p>1 A. I don't know what she specifically is 2 trying to call out here. The term "firewall" 3 usually refers to any sort of security block within 4 the or intranet that may have blocked websites. 5 But I'm not aware of any websites being blocked 6 that are related to PMPs.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. And during this time frame, I think in 9 2013, the date of this e-mail, also in 2009 when 10 this Order to Show Cause was entered, and 2011 when 11 this particular agreement was assigned, would it be 12 fair to say that PMPs fell directly under your 13 purview?</p> <p>14 A. Yes.</p> <p>15 Q. Do you recall Ms. Polster or Mr. Swords 16 or anybody else at Walgreens ever alerting you to 17 any issue related to firewalls and access to PMPs?</p> <p>18 A. Not with the firewall reference, no.</p> <p>19 Q. And about two years after this 20 settlement agreement was signed in March of 2011 we 21 had the second settlement agreement in Florida 22 signed in June of 2013, correct?</p> <p>23 A. Yeah, those are the two dates I think 24 we've reviewed so far, yeah.</p>	<p>1 hope is things are getting better every single day. 2 So, at what point does a crisis stop being a 3 crisis? I don't know.</p> <p>4 Q. Okay. I show you what we'll mark as 5 Exhibit No. 10.</p> <p>6 (WHEREUPON, a certain document was 7 marked as Walgreens-George Exhibit 8 No. 10: 12/11/17 e-mail with 9 attachment; WAGMDL00334471 - 10 00334495.)</p> <p>11 BY MR. GADDY:</p> <p>12 Q. Do you recognize this as being an e-mail 13 that you are copied on -- or excuse me -- you're on 14 the "To" line?</p> <p>15 A. I do.</p> <p>16 Q. And the subject says, "Final Version"?</p> <p>17 A. That's what the subject says, correct.</p> <p>18 Q. And what's the name of the attachment?</p> <p>19 A. "Opioid Crisis Webinar" dated 20 December 11, 2017.</p> <p>21 Q. So, just over a year ago, correct?</p> <p>22 A. Yes.</p> <p>23 Q. And if you turn the page, do you see the 24 title page of this presentation that was being sent</p>
<p>1 Q. We touched on this a little bit earlier. 2 Would you agree that as we sit here 3 today that our country is in the midst of an opioid 4 epidemic --</p> <p>5 MR. BENSINGER: Objection.</p> <p>6 BY MR. GADDY:</p> <p>7 Q. -- related to abuse of prescription 8 opioids?</p> <p>9 MR. BENSINGER: Objection; vague.</p> <p>10 BY THE WITNESS:</p> <p>11 A. I think that's what like the CDC has 12 issued guidance on, so, and that's -- I think we 13 are definitely in a tough situation for sure.</p> <p>14 BY MR. GADDY:</p> <p>15 Q. Would you say that we're in an opioid 16 crisis?</p> <p>17 A. I would say there is a problem that has 18 to do with controlled substances in this country, 19 yeah.</p> <p>20 Q. Is there a reason that you don't want to 21 say we're in an opioid crisis?</p> <p>22 A. Well, yeah, because, I mean, when I 23 think about this problem, I think every day people 24 are doing things to help with this issue and so my</p>	<p>1 to you, correct?</p> <p>2 A. Correct.</p> <p>3 Q. And the title of the presentation is 4 "The Opioid Crisis," correct?</p> <p>5 A. That is correct.</p> <p>6 Q. And this is a presentation that you 7 actually were involved in presenting?</p> <p>8 A. That's correct.</p> <p>9 Q. Has something changed between 10 December 2017 and now as it relates to whether or 11 not you would -- you're comfortable calling what 12 we're in the midst of an opioid crisis?</p> <p>13 A. I mean, I think things are changing 14 every single day, laws, every month, are happening 15 that are limiting controlled substances. You have 16 Walgreens, you know, putting out, working on 17 Naloxone programs and we have got our drug 18 take-back programs. I think these prescription 19 drug monitoring programs are evolving as well. I 20 think everyone is doing a little bit better with 21 the situation.</p> <p>22 But, again, who's -- I mean, I think the 23 term "crisis," you know, has a huge connotation 24 associated with it. So, like, what's the threshold</p>

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<p>1 that makes it a crisis? Again, I don't know.</p> <p>2 Q. I guess my question for you is: Why</p> <p>3 were you comfortable calling it a crisis in</p> <p>4 December of 2017 but you're not today?</p> <p>5 A. I don't know if I -- I don't know if I</p> <p>6 see anything here that says I was comfortable with</p> <p>7 calling it a crisis in 2017.</p> <p>8 Q. Okay. Well, this was a presentation you</p> <p>9 were a part of, correct?</p> <p>10 A. Yes, there is a specific agenda item</p> <p>11 around PDMP, which was my area of expertise, that I</p> <p>12 spoke to. I did not put together the presentation</p> <p>13 as a whole, however.</p> <p>14 Q. Okay. And we're looking at the second</p> <p>15 page?</p> <p>16 A. That's correct.</p> <p>17 Q. And it lists the agenda and it's got you</p> <p>18 listed there for PDMPs, correct?</p> <p>19 A. That's correct.</p> <p>20 Q. Do you know who Steven Gregory is?</p> <p>21 A. I believe he is the boss of Michele</p> <p>22 Davidson who had sent me the e-mail.</p> <p>23 Q. What's his role?</p> <p>24 A. He works in government relations in the</p>	<p>1 Q. It says, "Drug overdose deaths have</p> <p>2 reached epidemic proportions in the U.S. and</p> <p>3 require a complex, multifaceted approach."</p> <p>4 Do you see that?</p> <p>5 A. Yes, I do.</p> <p>6 Q. Do you have any reason to disagree with</p> <p>7 that sentence?</p> <p>8 A. No.</p> <p>9 Q. It goes on to say that "According to</p> <p>10 HHS." Do you know who that is?</p> <p>11 A. Health and Human Services I believe.</p> <p>12 Q. Okay. It says, "175 people die daily</p> <p>13 from the drug crisis."</p> <p>14 Do you see that?</p> <p>15 A. I do.</p> <p>16 Q. Do you agree or disagree that 175 people</p> <p>17 dying every day is a crisis?</p> <p>18 A. It's bad. It's not a good thing. I</p> <p>19 think any time anyone dies, it's a bad thing.</p> <p>20 Q. It says, "Since 1999 the number of</p> <p>21 American overdose deaths involving opioids</p> <p>22 quadrupled."</p> <p>23 Do you see that?</p> <p>24 A. I do.</p>
<p>1 office in Washington, D.C.</p> <p>2 Q. Okay. Is he one of the lobbyists?</p> <p>3 A. I wouldn't call him a lobbyist.</p> <p>4 Q. Do you know if he's a registered</p> <p>5 lobbyist?</p> <p>6 A. I do not know.</p> <p>7 Q. He is one of the people that speaks with</p> <p>8 federal legislators about federal laws that would</p> <p>9 impact Walgreens?</p> <p>10 MR. BENSINGER: Objection; foundation.</p> <p>11 BY THE WITNESS:</p> <p>12 A. I don't know what his day-to-day is. My</p> <p>13 understanding, he had a little to do with policy</p> <p>14 versus -- I don't know where he -- what his</p> <p>15 interactions are, to be honest.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. Were you in attendance when this</p> <p>18 PowerPoint was presented?</p> <p>19 A. Yes, I was.</p> <p>20 Q. And if you flip through two pages, the</p> <p>21 slide's numbered No. 4 in the bottom right-hand</p> <p>22 corner of the slide and it says, "Background." Are</p> <p>23 you with me?</p> <p>24 A. Yes.</p>	<p>1 Q. And, so, during that period, from 1999</p> <p>2 to when this presentation was presented in 2017,</p> <p>3 you agree that during that entire time period</p> <p>4 Walgreens was in the opioid business?</p> <p>5 MR. BENSINGER: Objection.</p> <p>6 BY THE WITNESS:</p> <p>7 A. Walgreens dispensed prescriptions that</p> <p>8 may have included opioids during that time.</p> <p>9 BY MR. GADDY:</p> <p>10 Q. And for a significant period of that</p> <p>11 time period Walgreens also distributed opioids to</p> <p>12 their stores?</p> <p>13 A. Yes.</p> <p>14 Q. It goes on to say that "Approximately</p> <p>15 six in ten drug overdose deaths involved opioids."</p> <p>16 Do you see that?</p> <p>17 A. I do.</p> <p>18 Q. Was this information new to you when you</p> <p>19 heard this presented or was this information that</p> <p>20 you knew?</p> <p>21 A. I'm trying to recall the presentation.</p> <p>22 These aren't -- are not statistics that I would</p> <p>23 have dealt with in my day-to-day job prior to this</p> <p>24 presentation. I think this was background</p>

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<p>1 information being communicated to a number of 2 individuals to educate them on the issue and where 3 it currently stands. So...</p> <p>4 But I -- I don't know if I was -- while 5 I did attend -- while I did attend the 6 presentation, I don't know if I was focused on this 7 slide. I was probably preparing for the subsequent 8 slides that I was supposed to cover.</p> <p>9 Q. If you look at the next page, Slide 10 No. 5, it says, "Americans consume more opioids 11 than any other country."</p> <p>12 Do you see that?</p> <p>13 A. Yes, I do.</p> <p>14 Q. Do you have any understanding of why 15 that is?</p> <p>16 A. I don't know exactly why. I know that's 17 something that's definitely been the attention of 18 many people who have been working in this space.</p> <p>19 Q. We might come back to this in just a 20 little bit, so keep it close.</p> <p>21 I show you what I'm going to mark as 22 Exhibit 11.</p> <p>23 (WHEREUPON, a certain document was 24 marked as Walgreens-George Exhibit</p>	<p>1 pharmacists or maybe prescribers face in trying to 2 balance how to treat patients and pain.</p> <p>3 Q. If you turn the page one more time where 4 we got 662 at the bottom.</p> <p>5 A. Okay.</p> <p>6 Q. It looks like we actually see the --</p> <p>7 "A Painful Dilemma: Balancing Rx Drugs and Pain."</p> <p>8 Do you see that?</p> <p>9 A. Okay. Yes.</p> <p>10 Q. It says there, it says, "Pain sends us 11 to the doctor more than anything else and for about 12 the last 15 years, Americans have often left their 13 doctors' offices with prescriptions for powerful 14 painkillers once reserved for only the worst 15 injuries."</p> <p>16 Do you see that?</p> <p>17 A. Yes.</p> <p>18 Q. It goes on to say, "Bombarding pain and 19 opioid medication" -- excuse me.</p> <p>20 "Bombarding pain with opioid medication 21 was a dramatic shift in U.S. medicine, pushed by a 22 profitable drug industry that leads the education 23 of doctors who otherwise get little training to 24 treat their patients' top complaint."</p>
<p style="text-align: center;">Page 159</p> <p>1 No. 11: 12/23/13 e-mail string 2 with attachment; WAGMDL00267660 - 3 00267667.)</p> <p>4 BY MR. GADDY:</p> <p>5 Q. And do you recognize this to be an 6 e-mail chain between you and Ms. Polster?</p> <p>7 A. Yes.</p> <p>8 Q. Okay. And the subject of -- subject 9 line of this e-mail is "A Painful Dilemma"?</p> <p>10 A. Yes.</p> <p>11 Q. And these are e-mails it looks like from 12 back in December of 2013, correct?</p> <p>13 A. That's correct.</p> <p>14 Q. Are you aware of what's being referred 15 to in that subject line, "A Painful Dilemma"?</p> <p>16 A. It looks like this organization that was 17 putting together a national drug abuse summit sent 18 out an e-mail blast probably to e-mail subscribers 19 with that subject heading "Painful Dilemma."</p> <p>20 And when I turn to the next page, it 21 says, "A Painful Dilemma: Balancing Prescription 22 Drugs and Pain."</p> <p>23 Based upon the title, I think this story 24 probably talks about the challenges that</p>	<p style="text-align: center;">Page 161</p> <p>1 Do you see that?</p> <p>2 A. I do.</p> <p>3 Q. It goes on to say, "The result has been 4 a public health disaster."</p> <p>5 Do you see that?</p> <p>6 A. Yes.</p> <p>7 Q. It says, "We know now that the pills 8 flooding this country more than any other in the 9 world leave millions in pain. They fuel our worst 10 ever heroin crisis. And they kill 17,000 Americans 11 a year - in Ohio, opioids kill three people a day, 12 more than who die in traffic accidents."</p> <p>13 Do you see that?</p> <p>14 A. Yes.</p> <p>15 Q. Is what we just read there consistent 16 with your understanding?</p> <p>17 MR. BENSINGER: Objection; vague.</p> <p>18 BY THE WITNESS:</p> <p>19 A. I mean, I'm not -- in terms of 20 illustrating that this is an issue, yes. I don't 21 know if I can speak to some of the particulars here 22 and comment on those.</p> <p>23 BY MR. GADDY:</p> <p>24 Q. Let me ask it this way. Is there</p>

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<p>1 anything that we just read that you disagree with?</p> <p>2 A. I mean, I don't have any information to</p> <p>3 disagree with paragraph 1.</p> <p>4 The second paragraph, I can't speak to</p> <p>5 prescriber education.</p> <p>6 And the third paragraph, I understand</p> <p>7 that the U.S. has the most prescribed I think,</p> <p>8 what, opioids, what we just reviewed recently in</p> <p>9 that chart. I wouldn't know the specifics around</p> <p>10 Ohio.</p> <p>11 Q. Okay. If you go back to the first</p> <p>12 page of this document, it looks like, was there</p> <p>13 some type of summit or conference that was hosted</p> <p>14 by this group?</p> <p>15 A. Yes.</p> <p>16 Q. Have you been to any of those during</p> <p>17 your time at Walgreens?</p> <p>18 A. I've attended at least one. I can't</p> <p>19 recall if I attended two or more.</p> <p>20 Q. As a Walgreens pharmacist during the</p> <p>21 time period of 2000 to 2006, were you aware of the</p> <p>22 diversion and abuse of opioids during that time</p> <p>23 period?</p> <p>24 A. Not on a national sense. I, you know,</p>	<p>1 conversations.</p> <p>2 Q. But no formal training or education from</p> <p>3 Walgreens that you can remember, correct?</p> <p>4 A. Not that I can remember.</p> <p>5 Q. Okay. Was there a class in pharmacy</p> <p>6 school or a particular area of study related to</p> <p>7 diversion and abuse of controlled substances?</p> <p>8 A. Not a class with that subject heading,</p> <p>9 no, not that I remember.</p> <p>10 Q. Let me show you P-GEN-47, which I will</p> <p>11 mark as Exhibit No. 12.</p> <p>12 (WHEREUPON, a certain document was</p> <p>13 marked as Walgreens-George Exhibit</p> <p>14 No. 12: Document, "OxyContin: Its</p> <p>15 use and abuse: Hearing before the</p> <p>16 Subcommittee on Oversight and</p> <p>17 Investigations," etc., August 28,</p> <p>18 2001"; P-GEN-0047.)</p> <p>19 BY MR. GADDY:</p> <p>20 Q. Do you see the title of this document at</p> <p>21 the top of the page it says, "OxyContin its use and</p> <p>22 abuse: Hearing before the Subcommittee on</p> <p>23 Oversight and Investigations of the Committee on</p> <p>24 Energy and Commerce, in the House of</p>
<p style="text-align: center;">Page 163</p> <p>1 as a pharmacist, you just know about the patients</p> <p>2 that you take care of and so you do your best to</p> <p>3 take care of those patients, help prevent potential</p> <p>4 drug interactions, you know, and, you know, if you</p> <p>5 come across a prescription of concern, you'd call</p> <p>6 the doctor to help verify that it's legitimate and</p> <p>7 appropriate and whether or not the doctor -- have a</p> <p>8 discussion of whether or not the doctor should look</p> <p>9 at a different therapy or not.</p> <p>10 Q. During the time that you were a</p> <p>11 pharmacist at Walgreens from 2000 to 2006, did</p> <p>12 Walgreens provide you with any training or</p> <p>13 education on the issue of the diversion and/or</p> <p>14 abuse of opioids such as oxycodone products or</p> <p>15 hydrocodone combination products?</p> <p>16 A. I mean, I don't remember anything</p> <p>17 formal. Much of my training came to me in pharmacy</p> <p>18 school and in practice with, as I became a</p> <p>19 pharmacist, as a graduate intern and technician.</p> <p>20 But, you know, it was something that I</p> <p>21 think we were generally aware of that there could</p> <p>22 be an issue and, you know, how to look for</p> <p>23 potential signs and contact the physician when</p> <p>24 there's a question and document those</p>	<p style="text-align: center;">Page 165</p> <p>1 Representatives, 107th Congress, first session."</p> <p>2 Do you see that?</p> <p>3 A. Yes, I do read that.</p> <p>4 Q. And this was dated August 28, 2001.</p> <p>5 Do you see that?</p> <p>6 A. I do.</p> <p>7 Q. That would have been during the time</p> <p>8 period in which you were a Walgreens pharmacist?</p> <p>9 A. That is correct.</p> <p>10 Q. And are you familiar generally with the</p> <p>11 concept that the United States Congress has</p> <p>12 different committees and subcommittees that from</p> <p>13 time to time may have hearings on matters or</p> <p>14 conduct investigations and take testimony on</p> <p>15 different issues?</p> <p>16 A. I have a general understanding of that</p> <p>17 concept, yes.</p> <p>18 Q. And if you would, turn for me, please,</p> <p>19 if you look at the top right-hand corner, to use</p> <p>20 that as our page number, that should be a 006 is</p> <p>21 where I'm going.</p> <p>22 Do you see that at the top of the</p> <p>23 page it says, "OxyContin: Its use and abuse,</p> <p>24 Tuesday, August 28, 2001."</p>

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<p>1 Do you see that?</p> <p>2 A. Yes.</p> <p>3 Q. As a Walgreens pharmacist, were you</p> <p>4 aware during this time period that there were</p> <p>5 Congressional hearings happening on the use and</p> <p>6 abuse of OxyContin?</p> <p>7 A. I was not aware.</p> <p>8 Q. If you go down to the -- it looks like</p> <p>9 it's the fourth paragraph that starts, "The use and</p> <p>10 abuse," on that same page?</p> <p>11 A. Yes.</p> <p>12 Q. It says, "The use and abuse of OxyContin</p> <p>13 provides quite a dilemma for us in Congress and for</p> <p>14 the American public. For some, OxyContin is the</p> <p>15 angel of mercy; for others, it is the angel of</p> <p>16 death. To those who suffer severe chronic pain, it</p> <p>17 brings welcome relief. But for those who abuse</p> <p>18 this highly addictive drug, it can bring even</p> <p>19 greater suffering."</p> <p>20 Do you see that?</p> <p>21 A. I do.</p> <p>22 Q. Were you aware as a Walgreens pharmacist</p> <p>23 back in August of 2001 that OxyContin was a drug</p> <p>24 that was already being abused by individuals?</p>	<p>1 pharmacist?</p> <p>2 A. I can't say that statement is something</p> <p>3 that I remember really being familiar with at the</p> <p>4 time.</p> <p>5 Q. If you turn to page 7, the very next</p> <p>6 page, start with the first full paragraph that</p> <p>7 starts, "Sadly." Do you see where I am?</p> <p>8 A. I do.</p> <p>9 Q. It says, "Sadly, prescription drug abuse</p> <p>10 is a growing national problem. According to the</p> <p>11 National Institute of Drug Abuse, as recently as</p> <p>12 1999, more than 9 million Americans, aged 12 and</p> <p>13 older, reported that they used prescription drugs</p> <p>14 at least once that year for non-medical reasons.</p> <p>15 Nor is the prescription drug abuse a new problem.</p> <p>16 For example, from 1990 to 1998, the number</p> <p>17 individuals initiating misuse or abuse of pain</p> <p>18 relievers increased by 181 percent."</p> <p>19 Do you see that?</p> <p>20 A. I do.</p> <p>21 Q. Is that information that you recall</p> <p>22 being made aware of during your time as a Walgreens</p> <p>23 pharmacist?</p> <p>24 A. Not specifically. I do not remember</p>
<p style="text-align: center;">Page 167</p> <p>1 A. I don't recall anything specific about</p> <p>2 OxyContin. I think controlled substance in general</p> <p>3 again and especially Schedule II drugs, that's</p> <p>4 something you pay attention to and help, you know,</p> <p>5 prevent I guess if there is any potential concerns</p> <p>6 with a given prescription.</p> <p>7 Q. But you don't recall any formal training</p> <p>8 or education that you received from Walgreens while</p> <p>9 you were a Walgreens pharmacist during this time</p> <p>10 period?</p> <p>11 MR. BENSINGER: Asked and answered.</p> <p>12 BY THE WITNESS:</p> <p>13 A. I don't recall anything specific to</p> <p>14 OxyContin.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. It goes on to say that "Today we'll hear</p> <p>17 from law enforcement officials who argue that</p> <p>18 OxyContin is quickly becoming the abuser's drug of</p> <p>19 choice, surpassing heroin and cocaine in some</p> <p>20 jurisdictions."</p> <p>21 Do you see that?</p> <p>22 A. I do.</p> <p>23 Q. And was that information that you were</p> <p>24 familiar with back in 2001 as a Walgreens</p>	<p style="text-align: center;">Page 169</p> <p>1 that.</p> <p>2 Q. Is that the type of information or is</p> <p>3 that information the type that you were given any</p> <p>4 formal education or training on by Walgreens during</p> <p>5 your time as a pharmacist?</p> <p>6 A. Nothing formal, no.</p> <p>7 Q. If you'd turn to page 11 for me, please.</p> <p>8 Again, looking at the top right-hand corner.</p> <p>9 A. Okay.</p> <p>10 Q. Do you see towards the top of the</p> <p>11 page you see that it starts here, it has the</p> <p>12 "Testimony of Terrence W. Woodworth, deputy</p> <p>13 director, Office of Diversion Control, Drug</p> <p>14 Enforcement Administration."</p> <p>15 Do you see that?</p> <p>16 A. I do.</p> <p>17 Q. And if you go down to the bottom of the</p> <p>18 page, the last paragraph on the page of</p> <p>19 Mr. Woodworth's testimony, it starts, "During the</p> <p>20 last two years." Do you see where I am?</p> <p>21 A. Yes. "During the last two years."</p> <p>22 Q. He says, "During the last two years, DEA</p> <p>23 has noted a dramatic increase in the illicit</p> <p>24 availability and abuse of OxyContin. As early as</p>

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<p>1 1999, DEA assisted the State of Maine in the 2 investigation of an organized ring of individuals 3 who used forged, stolen, and altered prescriptions 4 to divert thousands of dosage units of OxyContin to 5 abusers. While OxyContin diversion and abuse 6 appear to have begun more in rural areas, such as 7 Appalachia, it has spread to urban areas. To date, 8 at least 14 states have experienced increased abuse 9 and diversion of OxyContin including the State of 10 Pennsylvania and New Hampshire."</p> <p>11 Do you see that?</p> <p>12 A. Yes, I do.</p> <p>13 Q. And back in August of 2001 were you 14 aware as a Walgreens pharmacist of the DEA's 15 position on the increase of abuse and diversion of 16 specifically OxyContin?</p> <p>17 A. I was not.</p> <p>18 Q. Did you receive any formal education or 19 training or any formal notification from Walgreens 20 about the DEA's position on the increase in abuse 21 and diversion of OxyContin?</p> <p>22 A. I do not remember that, no.</p> <p>23 Q. Had you been provided that information 24 by Walgreens, is that something that you would have</p>	<p>1 epidemic."</p> <p>2 Do you see that?</p> <p>3 A. I do.</p> <p>4 Q. And at the top left-hand corner do you 5 see that this happened July 2011?</p> <p>6 A. I do.</p> <p>7 Q. Looking at this document now, I know we 8 mentioned it earlier, but do you recall this 9 announcement being made in the State of Florida?</p> <p>10 A. Not specifically. But, again, there is 11 a lot of activity in Florida around this time, you 12 know.</p> <p>13 Again, I think we talked about I think 14 the prescription drug monitoring program was 15 launched in 2011, so I think there is a lot of 16 announcements in general. So, it's hard to 17 probably keep track of this one specifically.</p> <p>18 Q. Would it be fair to say that this would 19 have been on your radar, with the prescription drug 20 monitoring program coming around the same time, 21 this would have been something that was within your 22 base of knowledge?</p> <p>23 A. I think that what would be part of my 24 knowledge is if anything within House Bill 7095</p>
<p style="text-align: center;">Page 171</p> <p>1 taken into consideration when you were asked to 2 fill or dispense those types of prescriptions?</p> <p>3 MR. BENSINGER: Objection; hypothetical, calls 4 for speculation.</p> <p>5 BY THE WITNESS:</p> <p>6 A. I mean, in general, you know, anything 7 that Walgreens gives me in terms of training, it's 8 something you pay attention to.</p> <p>9 BY MR. GADDY:</p> <p>10 Q. I'm going to show you what's been marked 11 as Exhibit No. 13.</p> <p>12 (WHEREUPON, a certain document was 13 marked as Walgreens-George Exhibit 14 No. 13: Press release, July 1, 15 2011, "State Surgeon General 16 Declares Public Health Emergency 17 Regarding Prescription Drug Abuse 18 Epidemic"; P-GEN-00126.)</p> <p>19 BY MR. GADDY:</p> <p>20 Q. We referenced this earlier when looking 21 at the Florida settlement agreement, but do you 22 recognize this? At the top of the page, it says, 23 "State Surgeon General declares public health 24 emergency regarding prescription drug abuse</p>	<p style="text-align: center;">Page 173</p> <p>1 impacted pharmacy dispensing of controlled 2 substances. I think that's where -- how I would 3 probably be more involved with this document.</p> <p>4 Q. Your involvement would be on looking at 5 the regulation and whether or not that's going to 6 impact Walgreens pharmacies?</p> <p>7 A. If Walgreens had to change anything in 8 accordance with the new law, absolutely.</p> <p>9 Q. Okay. But you see here in that 10 paragraph that you're looking at, the second 11 paragraph on the page, it says that that law, House 12 Bill 7095, "was signed into law in response to 13 Florida's epidemic of prescription drug abuse. Its 14 intent is to protect public health and safety by 15 stopping the many prescription drug overdose deaths 16 in Florida."</p> <p>17 Do you see that?</p> <p>18 A. Yes.</p> <p>19 Q. Would you agree that in this time period 20 it was not a secret that there were problems with 21 diversion and abuse of prescription drugs in 22 Florida?</p> <p>23 MR. BENSINGER: Objection; vague, argument.</p> <p>24 BY THE WITNESS:</p>

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<p>1 A. I mean, I think if you're asking the 2 question about whether or not Florida was having 3 issues with controlled substances, which prompted 4 lots of laws and the prescription drug monitoring 5 program being launched, that would make sense to 6 me.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. Is that something that you knew and you 9 were aware of?</p> <p>10 A. I knew that legislators felt it was an 11 issue that they had to address with regulations.</p> <p>12 Q. When you say "issues," you're talking 13 about overdose deaths?</p> <p>14 A. Overdose deaths, yeah, that would make 15 sense, yes.</p> <p>16 MR. BENSINGER: Mr. Gaddy, if you're going to 17 mark a new exhibit, now would be a convenient time 18 for us to take our lunch break before we do.</p> <p>19 MR. GADDY: That is not a problem.</p> <p>20 THE VIDEOGRAPHER: We are off the record at 21 12:29 p.m.</p> <p>22 (WHEREUPON, a recess was had 23 from 12:29 to 1:14 p.m.)</p> <p>24 THE VIDEOGRAPHER: We are back on the record</p>	<p>1 Q. Before we jump into this, let me just 2 kind of ask you generally. What is -- we've used 3 the acronym PDMP. What is a PDMP?</p> <p>4 A. Oh, sure. PDMP is a prescription drug 5 monitoring program. Some states call it PMP. Some 6 states call it PDMP.</p> <p>7 In essence, I think there is really a 8 few things to understand about the PDMP. One, the 9 data supplied by pharmacies, prescription data, 10 represents their dispensing, which patients they 11 have dispensed prescriptions to. That is then 12 basically reported to the State authority that 13 administers the program in a given state, and 14 basically the data then is now accessible by 15 authorized users. In most cases the primary users 16 are prescribers or pharmacists, but in other cases 17 it could be law enforcement under special 18 privileges and such.</p> <p>19 And ultimately, you know, when you think 20 about some of the benefits of the prescription drug 21 monitoring program, it really allows a practitioner 22 or pharmacist who may have a concern of a given 23 patient to help use it as a tool to look at that 24 individual patient to see their controlled</p>
<p>1 at 1:14 p.m.</p> <p>2 BY MR. GADDY:</p> <p>3 Q. Mr. George, before we broke for lunch we 4 were talking about some of the actions in Florida, 5 and I think we were touching on about the issue of 6 the Florida legislature implementing a PDMP, a 7 prescription drug monitoring plan, based on the 8 issues that Florida was having related to opioids, 9 whether it's abuse or diversion or death.</p> <p>10 Do you recall that?</p> <p>11 A. Yes.</p> <p>12 Q. I'm going to show you what I'm going to 13 mark as Exhibit 14 to your deposition.</p> <p>14 (WHEREUPON, a certain document was 15 marked as Walgreens-George Exhibit 16 No. 14: Florida Dept. of Health 17 2010-2011 PDMP Annual Report; 18 P-GEN-00127.)</p> <p>19 BY MR. GADDY:</p> <p>20 Q. This is a report from the Florida 21 Department of Health, 2010-2011 Prescription Drug 22 Monitoring Program Annual Report.</p> <p>23 Do you see that?</p> <p>24 A. Yes.</p>	<p>1 substance history, see if there is any signs of 2 misuse, overuse of a controlled substance 3 prescription.</p> <p>4 Q. Generally speaking -- I understand there 5 is going to be some differences on a state-by-state 6 basis. But generally speaking can you kind of give 7 me the bullet points of the type of information 8 that would be entered into a PDMP?</p> <p>9 A. Yeah, essentially you have a -- 10 essentially it's a snapshot of the prescription as 11 how it's dispensed. You will have prescriber 12 detail, so which doctor issued the prescription, 13 which pharmacy would have dispensed the 14 prescription, and then you have patient demographic 15 details.</p> <p>16 And then you would have, again, some of 17 the more intricate prescription details as far as 18 the drug, the quantity, the days supply, the date 19 of dispensing from the pharmacy. Generally that 20 could be the date the prescription is processed in 21 their system.</p> <p>22 Then you may have an indicator as to the 23 form of payment from a -- whether it be an 24 insurance, Blue Cross, for example, or whether they</p>

<p style="text-align: right;">Page 178</p> <p>1 paid cash or maybe it was a Medicaid plan of some 2 sort. 3 Q. Okay. So, it would be pretty standard 4 for these PMPs to require you to report name and 5 date of birth of the patient? 6 A. Correct. 7 Q. You're also going to have the name of 8 the doctor that wrote the script? 9 A. The pharmacy would actually report the 10 prescriber DEA in most instances. The state may 11 use that DEA to cross-reference with their database 12 and then populate the name. But the pharmacy can 13 also report the name of the prescriber as well. 14 Q. It's obviously going to include the 15 pharmacy that fills any prescriptions? 16 A. Yes. 17 Q. Okay. And it's going to include 18 information about their history of controlled 19 substances that have been filled, such as the date 20 those prescriptions were filled, the pharmacies 21 they were filled at, the strengths of the scripts? 22 A. Um-hmm. 23 MR. BENSINGER: Object. 24 BY MR. GADDY:</p>	<p style="text-align: right;">Page 180</p> <p>1 states? 2 A. Pharmacists are allowed access in pretty 3 much every state at this point. I think originally 4 wasn't set up that way, but at this point, yeah, 5 pharmacists do have access. 6 Not all pharmacists, you know, pursue 7 access or register with the State, you know, and 8 actually have an account. But by law they do have 9 access if they -- if they register. 10 Q. Okay. Fair to say that in some states 11 it's required for pharmacists to regulate -- excuse 12 me -- to register and some states it's not? 13 A. That's correct. 14 Q. Outside of the PDMP, is there any 15 Walgreens system or Walgreens-specific database 16 that would give a pharmacist that same information 17 that's contained within a state PDMP? 18 A. Walgreens pharmacists generally have 19 access to Walgreens data. The PDMP allows you to 20 see information that's -- you know, represents 21 other pharmacies as well. So, Walgreens does not 22 have direct access to that situation. 23 What you might see that's related is you 24 might have a third party plan who may notice that a</p>
<p style="text-align: right;">Page 179</p> <p>1 Q. The quantity. Is that fair? 2 MR. BENSINGER: Objection; vague. 3 BY THE WITNESS: 4 A. Yeah, I mean, in general if you were to 5 look up a specific patient and their history, you 6 would see information about their dispensing 7 history, which drugs, and the strengths would also 8 be included along with which locations dispense 9 those prescriptions and which prescribers issue 10 those prescriptions. 11 Q. Would it be fair to say that these are 12 tools that could be used by either doctors or 13 pharmacists to determine whether or not 14 prescriptions would be appropriate to be written or 15 prescriptions would be appropriate to be filled? 16 A. I don't know if it's as black and white 17 as that, but I think it's definitely a tool that 18 they could use in reference to see if there is any 19 concerns that would cause them to think twice 20 before issuing or dispensing a controlled 21 substance. 22 Q. Okay. And is it -- would you agree that 23 it's pretty standard that the pharmacists have 24 access to these databases within the different</p>	<p style="text-align: right;">Page 181</p> <p>1 patient was dispensed a given prescription at 2 Location A and if they realize that that 3 prescription is being filled again at another 4 location maybe too early, they may provide a 5 message back to the pharmacy. But, again, it's not 6 to the same degree as a PDMP. 7 Q. Okay. I want to make sure that I can 8 understand the visibility that a Walgreens 9 pharmacist would have on a patient's prescription 10 history. 11 Fair to say that with your typical PDMP, 12 you could see -- a Walgreens pharmacist could see 13 the history of a particular patient, including any 14 prescriptions they had filled at a CVS or a Walmart 15 or a Rite Aid or Bob's Pharmacy. They could see 16 all of that? 17 A. Yeah, any prescription that was 18 dispensed by any pharmacy for that patient in a 19 given state, they would have access to that when 20 looking up that individual patient. 21 Q. Okay. And fair to say that a Walgreens 22 pharmacist who does not utilize the PDMP, they 23 would certainly have access to that patient's 24 history with Walgreens but not with any other</p>

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<p>1 pharmacy, is that correct?</p> <p>2 A. Yeah, I mean, not to the same degree, by</p> <p>3 any means, no.</p> <p>4 Q. So, if you look at this document, turn</p> <p>5 with me, if you don't mind, please, to page 2 in</p> <p>6 the bottom right-hand corner.</p> <p>7 And do you see in the middle of the</p> <p>8 page, the second paragraph, it says, "The Florida</p> <p>9 PDMP was created by the 2009 Florida Legislature as</p> <p>10 an initiative to encourage safer prescribing of</p> <p>11 controlled substances and to reduce drug abuse and</p> <p>12 diversion within the State of Florida."</p> <p>13 Do you see that?</p> <p>14 A. I do read that.</p> <p>15 Q. Do you agree with what's stated there in</p> <p>16 that sentence as the general thought behind why</p> <p>17 PDMPs are used?</p> <p>18 MR. BENSINGER: Objection; foundation.</p> <p>19 BY THE WITNESS:</p> <p>20 A. The -- I mean, yeah, PDMPs are used as</p> <p>21 a -- a reference tool to help prescribers and</p> <p>22 pharmacists make better educated decisions around</p> <p>23 their prescribing or dispensing practices.</p> <p>24 BY MR. GADDY:</p>	<p>1 access the PDMP, correct?</p> <p>2 A. That's correct.</p> <p>3 Q. If you go down to the -- it looks like</p> <p>4 it's the fourth paragraph, on the page about</p> <p>5 halfway through that paragraph there is a sentence</p> <p>6 that starts "The PDMS," the prescription drug</p> <p>7 monitoring system. Do you see that?</p> <p>8 A. Oh, yeah.</p> <p>9 Q. It says that's "a web-based program that</p> <p>10 facilitates the collection and analysis of medical</p> <p>11 and pharmacy data to enable state regulators and</p> <p>12 practitioners to detect and prevent diversion,</p> <p>13 abuse and misuse of controlled substance</p> <p>14 prescription drugs."</p> <p>15 Do you see that?</p> <p>16 A. I do read that.</p> <p>17 Q. And do you see the first sentence of the</p> <p>18 next paragraph, that's what we have been alluding</p> <p>19 to earlier today. It says, "In Florida the PDMP</p> <p>20 became operational on September 1, 2011."</p> <p>21 Do you see that?</p> <p>22 A. I do.</p> <p>23 Q. I will show you what I will mark as</p> <p>24 Exhibit No. 15.</p>
<p style="text-align: center;">Page 183</p> <p>1 Q. Sure. And you would agree that there</p> <p>2 are tools that doctors or pharmacists can use to</p> <p>3 help reduce drug abuse and diversion as it relates</p> <p>4 to controlled substances?</p> <p>5 A. Yeah. These databases can be -- can</p> <p>6 serve as a tool for drug abuse and diversion.</p> <p>7 Q. It goes on to state that "The Florida</p> <p>8 statute created the PDMP within the Florida</p> <p>9 Department of Health for the purpose of providing</p> <p>10 information that can help guide a healthcare</p> <p>11 practitioner's prescribing and dispensing decisions</p> <p>12 regarding highly abused controlled substance</p> <p>13 prescription drugs."</p> <p>14 Do you see that?</p> <p>15 A. I do read that.</p> <p>16 Q. And, again, you have no disagreement</p> <p>17 with that sentence, correct?</p> <p>18 A. Yes. Specifically I think Schedule II</p> <p>19 to Schedule IV drugs are what's defined in Florida,</p> <p>20 but yes.</p> <p>21 Q. Okay. And, obviously, in order for a</p> <p>22 pharmacist to utilize this tool that is intended to</p> <p>23 help reduce drug abuse and diversion, they have to</p> <p>24 register for the PDMP and they have to actually</p>	<p style="text-align: center;">Page 185</p> <p>1 (WHEREUPON, a certain document was</p> <p>2 marked as Walgreens-George Exhibit</p> <p>3 No. 15: 7/6/11 e-mail to All FL</p> <p>4 Pharmacies; WAGFLDEA00000383.)</p> <p>5 BY MR. GADDY:</p> <p>6 Q. This is P-WAG-2167.</p> <p>7 Do you recognize this as a communication</p> <p>8 that looks like you sent out to all Florida</p> <p>9 pharmacies?</p> <p>10 A. Yep. Yes, this is something I would</p> <p>11 have sent.</p> <p>12 Q. And it looks like this was sent back in</p> <p>13 July of 2011, so about roughly two months before</p> <p>14 the Florida PDMP went online, correct?</p> <p>15 A. Yes.</p> <p>16 Q. You say, "All Florida pharmacies: The</p> <p>17 Florida Prescription Drug Monitoring Program known</p> <p>18 as E-FORCSE," is the acronym, "is anticipated to be</p> <p>19 operational by September 1, 2011. Florida will be</p> <p>20 the 38th state to implement a prescription drug</p> <p>21 monitoring program."</p> <p>22 Do you see that?</p> <p>23 A. I do.</p> <p>24 Q. Goes on to say, "The PDMP will require</p>

<p style="text-align: right;">Page 186</p> <p>1 pharmacies to provide controlled substance 2 dispensing information" -- excuse me -- "controlled 3 substance dispensing data to the state on a weekly 4 basis. The data will be stored in a database so 5 that it can be made available to healthcare 6 practitioners to help guide their decisions when 7 prescribing and dispensing controlled drugs." 8 Do you see that? 9 A. Yes. 10 Q. And, again, that's what we have talked 11 about earlier that if a pharmacist wants to utilize 12 this database or this tool to help them in their 13 dispensing decisions, they'd have to access the 14 PDMP, correct? 15 A. Right. 16 Q. One of the things that could happen when 17 a pharmacist accesses and looks at the PDMP is they 18 could see within their information that would lead 19 them to believe that maybe it's a prescription that 20 should not be filled, is that correct? 21 A. That's correct. 22 Q. The next section says, "What we need 23 to" -- "What we need to do" -- or "What do we need 24 to do?"</p>	<p style="text-align: right;">Page 188</p> <p>1 should actually be filled? 2 A. It's -- it's something that they can 3 definitely refer to to help with that decision. 4 Q. Goes on to say, it says, "Why do we need 5 to do this?" 6 And you write, "In order to comply with 7 pharmacy rules and regulations for the State of 8 Florida." 9 Do you see that? 10 A. That's correct. 11 Q. The next section says, "Are pharmacists 12 required to access the database prior to dispensing 13 controlled substance prescriptions?" 14 And what you say there is, "This will be 15 voluntary." 16 Do you see that? 17 A. I do. 18 Q. Goes on to say, "Neither prescribers nor 19 pharmacists will be required to access the 20 database." 21 Do you see that? 22 A. Yes. 23 Q. Was there any Walgreens policy at this 24 time frame that encouraged pharmacists to access</p>
<p style="text-align: right;">Page 187</p> <p>1 It says, "All reporting requirements 2 will be handled by the corporate office. 3 Pharmacies will only be required to ensure 4 controlled substances" -- "that each controlled 5 substance prescription contains accurate and 6 complete data prior to dispensing. Pharmacy team 7 members should pay close attention to required 8 fields such as the date of the prescription, the 9 patient's full name, address and date of birth, the 10 drug name, the NDC number, quantity and strength of 11 the controlled substance dispensed, and the 12 prescriber name, DEA number and NPI number." 13 Do you see that? 14 A. Yes, I do. 15 Q. And is that consistent with what we 16 talked about a few minutes ago as far as the type 17 of general information that is reported to these 18 PDMPs? 19 A. Yes, I would say so. 20 Q. And you agree that if a pharmacist has 21 access to that type of information and actually 22 reviews the PDMP that that can inform their 23 decisions about whether or not prescriptions that 24 they are presented are medically necessary and</p>	<p style="text-align: right;">Page 189</p> <p>1 the PDMP when they were presented with a controlled 2 substance prescription? 3 A. I don't believe there was a specific 4 policy at this time, in July of 2011. Part of the 5 challenges we had with the PDMPs was that there was 6 such a variation as to how to access and what each 7 system included. 8 And, so, being a national chain, it was 9 tough to really come up with some standardized 10 processes. We were still trying to learn along 11 with these state systems essentially how to make 12 the data as useful as it could be. 13 I think a lot of work was actually done 14 in 2012 and beyond, both on the state side and in 15 pharmacies, and try to help really create an 16 environment where I think it's -- it provided the 17 most optimal value. 18 So, at this time I think it was a 19 challenge to really come up with those standardized 20 processes, but I think it was something definitely 21 in our -- in our thought process. 22 This communication I think was just kind 23 of reflecting what the law essentially required. 24 Q. Okay. And the law was, is that it was</p>

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<p>1 voluntary for a doctor and a pharmacist to access 2 the PDMP?</p> <p>3 A. That's correct.</p> <p>4 Q. Okay. And we agree that the PDMP, 5 specifically the one in Florida, contained 6 information that could be a helpful tool for a 7 doctor or a pharmacist in determining whether or 8 not to write a prescription or whether or not to 9 fill a prescription, correct?</p> <p>10 A. Yes.</p> <p>11 Q. And you would agree that if neither the 12 doctor nor the pharmacist look at the PDMP in 13 deciding whether or not to write or fill a 14 particular prescription, that that's a tool they're 15 leaving in their toolbox and not exercising for the 16 purposes of that particular prescription?</p> <p>17 A. Yeah, I mean, not -- I can't say that a 18 PDMP is relevant to all prescribers or I can't say 19 PDMP is relevant to every single pharmacist in 20 their practice setting.</p> <p>21 So, that's where I think, at least at 22 this time, it was something that was still trying 23 to figure out exactly, you know, the best way to 24 take advantage of this information.</p>	<p>1 A. That's correct.</p> <p>2 Q. You write, "Good evening. E-FORCSE, 3 the prescription drug monitoring program, will soon 4 be providing access for pharmacists to review 5 patient data." It says, "Even though access is not 6 mandatory, we will be delivering communications to 7 all Florida pharmacies to help guide those 8 pharmacists who would like access to the state's 9 database."</p> <p>10 Do you see that?</p> <p>11 A. Yeah, I do read that.</p> <p>12 Q. It says, "This communication will be 13 delivered once all details have been confirmed - 14 how to request access and where to go to view 15 patient information."</p> <p>16 Do you see that?</p> <p>17 A. Yeah.</p> <p>18 Q. And, again, the -- you note that the 19 access of this material for Florida pharmacists is 20 a voluntary program?</p> <p>21 A. Yes.</p> <p>22 Q. If you go back up to the first page, it 23 looks like you get an e-mail from a Terence 24 Collins.</p>
<p style="text-align: center;">Page 191</p> <p>1 Q. But you agree that if you don't look at 2 the information, you can't take advantage of it?</p> <p>3 A. Yes.</p> <p>4 Q. I show you what I'll mark as 5 Exhibit No. 16.</p> <p>6 (WHEREUPON, a certain document was 7 marked as Walgreens-George Exhibit 8 No. 16: 10/22/11 e-mail string; 9 WAGFLDEA00000403 - 00000405.)</p> <p>10 BY MR. GADDY:</p> <p>11 Q. And if you flip to the second page of 12 this document, at the bottom half of that page, you 13 see the original e-mail that we were just looking 14 at?</p> <p>15 A. What page again? I'm sorry.</p> <p>16 Q. Second page, about two-thirds of the 17 page.</p> <p>18 A. Yes.</p> <p>19 Q. It looks like we see that original 20 e-mail?</p> <p>21 A. Um-hmm.</p> <p>22 Q. It looks like if you look immediately 23 above that, it looks like you respond to that 24 e-mail chain?</p>	<p style="text-align: center;">Page 193</p> <p>1 Do you see that?</p> <p>2 A. Yes.</p> <p>3 Q. Do you know who that is?</p> <p>4 A. Trying to remember if he was a district 5 manager or a pharmacy supervisor. I don't remember 6 offhand which role he played.</p> <p>7 Q. And this e-mail was sent, it looks like, 8 on October 19, 2011.</p> <p>9 Do you see that?</p> <p>10 A. Yes.</p> <p>11 Q. That's going to be roughly a month and a 12 half, six weeks after the PDMP has been in place?</p> <p>13 A. Yes.</p> <p>14 Q. And the question being asked there is, 15 "Hey Tomson, When can we expect the next 16 communication to go out to stores? We are getting 17 a lot of questions about the registration process. 18 Please advise."</p> <p>19 Do you see that?</p> <p>20 A. Let's see here. Yep, I do see that.</p> <p>21 Q. So, at this point the program has been 22 in place for a month and a half, six weeks, and at 23 this point in time the Florida stores have not been 24 told how to register to see the PDMP?</p>

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<p>1 A. You know, I can't completely agree with 2 that assessment. While you do have one document 3 that mentions that it was being launched, let's 4 say, on September 1st, 2011, I can't say when the 5 materials that are necessary to communicate to 6 pharmacists became available that we would actually 7 be able to communicate.</p> <p>8 So, whether that was available on 9 September 1st, August 30 or 31st or October 1st or 10 October 15 of 2011, I don't have that information 11 available.</p> <p>12 Q. Okay. You don't take any issue with the 13 Florida Department of Health information that the 14 program went live on September 1st, 2011, do you?</p> <p>15 A. I think there is -- when you launch a 16 program, there is a date that I think on paper the 17 program launches; but, you know, I will be curious 18 to see if we have any documentation that says when 19 the necessary information to access the program 20 became available to authorized users.</p> <p>21 Q. Okay. Let's look up and look at your 22 response. It looks like you write back the same 23 day. You say, "Hi Team, I am hoping for the 24 communication to be delivered either end of this</p>	<p>1 and the posting of information on our Storenet. 2 Q. Based on some of the documents that 3 we've looked at earlier today about the number of 4 opioids going into the State of Florida and the 5 number of people dying from opioid-related 6 overdoses within the State of Florida, would it 7 make sense that some of the pharmacists within the 8 State of Florida might have wanted to have access?</p> <p>9 A. Oh, sure, absolutely.</p> <p>10 Q. But in response to them requesting it, 11 the comment that you made to them is the main thing 12 they need to know is that access is not mandatory?</p> <p>13 MR. BENSINGER: Object.</p> <p>14 BY THE WITNESS:</p> <p>15 A. Because that's what the law says.</p> <p>16 MR. BENSINGER: Object to the 17 characterization.</p> <p>18 BY MR. GADDY:</p> <p>19 Q. And that's what you were doing was just 20 making sure that they were informed about the law?</p> <p>21 A. That's correct and that if they would 22 like access, we have information posted.</p> <p>23 Q. In the next paragraph there in your 24 response you say, "The links point the pharmacist</p>
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<p>1 week or early next week."</p> <p>2 Do you see that?</p> <p>3 A. Yep.</p> <p>4 Q. You write, "The main thing stores should 5 know is that pharmacist registration is not 6 mandatory."</p> <p>7 Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. Was it your impression that the main 10 thing the Florida pharmacists needed to know about 11 the new PDMP program was that they did not have to 12 register to participate in the program?</p> <p>13 A. Yeah, I think the context is a little 14 bit different here. The number that -- it was my 15 understanding probably at the time that there may 16 have been a misinterpretation as to what the law 17 represented and many pharmacists, being new to the 18 PDMP and the concept of the PDMP, may have felt 19 that it was going to require them to register and 20 access it. So, I wanted to make sure I clarified 21 that potential misinformation that could be out 22 there.</p> <p>23 But, obviously, we do want to facilitate 24 access and that's the purpose of the communication</p>	<p>1 to training documentation as well, which I would 2 expect has answers to common questions."</p> <p>3 Do you see that?</p> <p>4 A. I do see that.</p> <p>5 Q. Did you in your role as overseeing 6 compliance with the PDMPs throughout the country, 7 did you go to -- make any trips to Florida, do any 8 presentations on the PDMP to educate the pharmacy 9 managers or the district supervisors or anything 10 like that on the Florida PDMP and what it could do 11 for them?</p> <p>12 A. I did not go to any of the -- yeah, I 13 did not go to Florida to educate those on how the 14 system works, if that's what you're asking.</p> <p>15 Q. Did you do anything to facilitate the 16 use of the Florida PDMP by Florida Walgreens 17 pharmacists outside of forwarding some e-mails with 18 some links for where to go to register?</p> <p>19 A. Yeah, I mean, outside of sending the 20 communication that let them know how to request 21 access and where the training documentation that's 22 owned by the State is published, no, I did not 23 provide any additional assistance to the Florida 24 pharmacists as far as this system being launched in</p>

<p style="text-align: right;">Page 198</p> <p>1 2011.</p> <p>2 Q. Are you aware of recent proposed changes 3 within Florida that would have made it mandatory 4 for pharmacists to review the PDMP?</p> <p>5 A. Yes.</p> <p>6 Q. Were those changes -- as far as when 7 that was occurring within the State of Florida, did 8 that fall under your job duties as far as gathering 9 information about that or communicating with any 10 other business groups about that potential change?</p> <p>11 A. So, when those changes went into effect, 12 I was in my more current role, which is less 13 centered on PDMPs. Certainly I have a little 14 background in there. So, I probably facilitated 15 some discussions on this. But it wasn't -- 16 wouldn't have been my primary responsibility to 17 help support that law change.</p> <p>18 Q. But, again, I think we have covered some 19 of this, but you agree that the information that a 20 pharmacist can find within the PDMP can be useful 21 in helping that pharmacist determine whether or not 22 to fill a particular prescription?</p> <p>23 A. That's correct.</p> <p>24 Q. Was Walgreens, or do you know, was</p>	<p style="text-align: right;">Page 200</p> <p>1 requiring pharmacists to check on prescriptions 2 after it's already been checked by a doctor and a 3 pharmacist already one time and so now you're 4 checking again.</p> <p>5 There is other things happening in the 6 pharmacy. And without having system integration, 7 some of those tools, it makes it, you know, an 8 increasing difficult burden to juggle all of those 9 things in the pharmacy.</p> <p>10 So, I think it's really that aspect that 11 was really creating a little heartburn is not that 12 we didn't believe in the access, it was just, you 13 know, all the parameters that were kind of being 14 put into -- in place with the -- with the law.</p> <p>15 Q. In short, Walgreens didn't want their 16 pharmacists to have to check after a doctor had 17 already checked. Is that fair?</p> <p>18 MR. BENSINGER: Objection; mischaracterization.</p> <p>19 BY THE WITNESS:</p> <p>20 A. We wanted the pharmacist to use their 21 professional judgment. We believe that the 22 pharmacist had the proper training to do so. So, 23 it may not be necessary to legislate that.</p> <p>24 BY MR. GADDY:</p>
<p style="text-align: right;">Page 199</p> <p>1 Walgreens in favor of or against a change in the 2 regulation that would have required them to check 3 the PDMP?</p> <p>4 MR. BENSINGER: Objection; foundation.</p> <p>5 BY THE WITNESS:</p> <p>6 A. Yeah, I don't -- I mean, I think 7 Walgreens as an entity separate from myself, 8 looking at the proposed rules or law changes, that 9 is, I think what was unique about Florida is it 10 required doctors and pharmacists to check on every 11 single controlled substance prescription, which we 12 have history in other states that it's not -- when 13 the doctor is checking on every prescription they 14 issue and the pharmacist is also checking, for 15 example, on the new prescriptions that are -- they 16 are receiving, you know, standard what I would 17 expect is many of the practices that you see in 18 pharmacy today already take into account all the 19 other situations like, let's say, refills would 20 come into play.</p> <p>21 And, so, I think -- I think if there is 22 one concern that, you know, at least I personally 23 had with the way that the law was essentially 24 drafted and I think implemented was it was</p>	<p style="text-align: right;">Page 201</p> <p>1 Q. Well, you agree that Walgreens 2 pharmacists had already been told by you that it 3 was not mandatory for them to register and look at 4 the PDMP?</p> <p>5 A. I think that's -- so, if you look at the 6 timelines and when it was launched in 2011, that 7 communication we reviewed, I was commenting on the 8 expectations of the law.</p> <p>9 Since that time, I believe, I don't 10 know -- is it 2012, 2013 -- there were changes in 11 the policies that actually did direct our 12 pharmacists to use the PDMP when dispensing 13 controlled substances as part of their good faith 14 dispensing.</p> <p>15 And by that time that the more recent 16 laws that I think you are talking about, I expect 17 it would be a standard practice for our pharmacists 18 to check the PDMP whenever appropriate.</p> <p>19 Q. And those would be enhancements that 20 were made to the good faith dispensing policy after 21 the DEA investigation in Florida that resulted in 22 the settlement agreement?</p> <p>23 A. Yeah, from a timing standpoint, yeah, I 24 believe that's correct.</p>

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<p>1 Q. So, pre-DEA investigation, Walgreens'</p> <p>2 position was that it was not mandatory for Florida</p> <p>3 pharmacists to check the PDMP. After the DEA</p> <p>4 investigation and settlement, it was at that point</p> <p>5 in time encouraged for Florida pharmacists to check</p> <p>6 the PDMP?</p> <p>7 A. I think they're still a little bit</p> <p>8 different. Again, I'd still characterize</p> <p>9 communication to let them know what the laws are in</p> <p>10 their state and we want our pharmacists to follow</p> <p>11 the state laws, you know. But, yes, it did evolve</p> <p>12 and our policies did include references to PDMP.</p> <p>13 Q. Let me show you what I will mark as</p> <p>14 Exhibit 17.</p> <p>15 (WHEREUPON, a certain document was</p> <p>16 marked as Walgreens-George Exhibit</p> <p>17 No. 17: 7/2/12 e-mail string;</p> <p>18 WAGMDL00441530 - 00441537.)</p> <p>19 BY MR. GADDY:</p> <p>20 Q. Do you recognize this as an e-mail chain</p> <p>21 that you're involved in?</p> <p>22 A. I see I'm copied on page 1.</p> <p>23 Okay. I see I'm copied on page 1.</p> <p>24 Q. It looks like it's an e-mail to you on</p>	<p>1 second page of this document, project in Indiana</p> <p>2 which demonstrates how emergency department staff</p> <p>3 can receive a patient's controlled substance</p> <p>4 history directly from their medical record system</p> <p>5 and the project was in collaboration between NABP,</p> <p>6 Appriss and State of Indiana.</p> <p>7 I don't know if I see the specific</p> <p>8 reference to Ohio. I might have missed as far as</p> <p>9 what the -- oh, it says here the Ohio pilot will</p> <p>10 test by having a drug risk indicator in the</p> <p>11 electronic health record and how that affects the</p> <p>12 clinical decision-making.</p> <p>13 So, I think those were the two pilots</p> <p>14 that were being communicated here.</p> <p>15 Q. Okay. Both of these are states that</p> <p>16 have PDMPs, correct?</p> <p>17 A. That is correct.</p> <p>18 Q. Okay. And both of these states had</p> <p>19 PDMPs before this date, correct?</p> <p>20 A. Before this date, yes, correct, yeah.</p> <p>21 Q. And these are efforts being made by both</p> <p>22 Indiana and Ohio to further enhance their PDMPs,</p> <p>23 correct?</p> <p>24 A. That's -- yep.</p>
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<p>1 page 1, correct?</p> <p>2 A. I'm sorry. Yeah.</p> <p>3 Q. And the subject says, "PMP pilots in" I</p> <p>4 guess it's Indiana and Ohio?</p> <p>5 A. Yes. "PMP pilots in Indiana and Ohio."</p> <p>6 Q. Okay. And this is from July 2012,</p> <p>7 correct?</p> <p>8 A. That's correct.</p> <p>9 Q. Are you aware of what's being referred</p> <p>10 to, it looks like at the bottom of the page, there</p> <p>11 is beginning of an article, "New Health IT Effort</p> <p>12 Aimed At Reducing Prescription Drug Abuse to be</p> <p>13 Tested in Indiana and Ohio"?</p> <p>14 Do you see that?</p> <p>15 A. Yeah. Let me -- I have a general</p> <p>16 understanding, but I did want to just review this</p> <p>17 briefly to make sure I have got a good</p> <p>18 understanding of what's being communicated here.</p> <p>19 The way I read this document, there was</p> <p>20 a roundtable or task group of sorts that convened</p> <p>21 and at the outset of that work, there is some</p> <p>22 recommendations brought forth to help increase</p> <p>23 access to PDMPs and there's a pilot that was being</p> <p>24 stood up I believe, from what I'm reading on the</p>	<p>1 Q. You agree that each of these states are</p> <p>2 continuing to take efforts to abat -- excuse me --</p> <p>3 combat drug abuse and diversion within their</p> <p>4 states?</p> <p>5 A. Yes.</p> <p>6 Q. If you look at the -- it's the second</p> <p>7 full paragraph on the second page that starts "The</p> <p>8 CDC."</p> <p>9 A. Yes.</p> <p>10 Q. It says, "The CDC has declared that the</p> <p>11 United States is in the midst of an epidemic of</p> <p>12 prescription drug overdose deaths. Deaths from</p> <p>13 prescription drugs now outnumber deaths from heroin</p> <p>14 and cocaine combined. Over the past decade,</p> <p>15 prescription drug-induced deaths have approached</p> <p>16 motor vehicle deaths as the leading cause of all</p> <p>17 injury deaths."</p> <p>18 Do you see that?</p> <p>19 A. Yes.</p> <p>20 Q. If you go down to the next full</p> <p>21 paragraph, about the middle of that paragraph on</p> <p>22 the right-hand side it starts, "PDMPs collect."</p> <p>23 A. Yep, I see it.</p> <p>24 Q. Are you with me?</p>

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<p>1 A. Yes.</p> <p>2 Q. It says, "PDMPs collect a considerable 3 amount of useful information; however, many states 4 do not use these databases enough."</p> <p>5 Do you have an opinion on that sentence?</p> <p>6 MR. BENSINGER: Objection; vague.</p> <p>7 BY THE WITNESS:</p> <p>8 A. Looking at 2012, and I kind of 9 referenced this in earlier comments, that prior to 10 2012 I think PDMPs did a good job of collecting 11 data but they didn't really as good of a job as 12 they do today as to making that data available in 13 an easy-to-access or easier-to-access manner.</p> <p>14 And, so, I think there was some 15 conversations here that contemplated looking at 16 ways to improve accessibility.</p> <p>17 BY MR. GADDY:</p> <p>18 Q. It says, "Improving realtime access to 19 the information contained in the PDMPs will provide 20 an incentive to healthcare providers to use the 21 programs."</p> <p>22 Do you see that?</p> <p>23 A. I do.</p> <p>24 Q. And then I think you found it just a</p>	<p>1 reference PDMP access and then also I believe Ohio 2 state law recently changed and mandated pharmacists 3 to access the PDMPs.</p> <p>4 Q. In what way?</p> <p>5 A. I believe -- it's a little bit nuanced, 6 but I think at least for every new prescription and 7 maybe it's once a year for existing patients, they 8 should be checking prior to dispensing a controlled 9 substance.</p> <p>10 Q. Let me show you what I will mark as 11 Exhibit 18.</p> <p>12 (WHEREUPON, a certain document was 13 marked as Walgreens-George Exhibit 14 No. 18: 11/27/12 e-mail string; 15 WAGMDL00440895 - 00440897.)</p> <p>16 BY MR. GADDY:</p> <p>17 Q. You agree that in order for the PDMPs to 18 be effective and accomplish their goals that the 19 information entered into them has to be accurate, 20 correct?</p> <p>21 A. Accurate data does help improve the 22 effectiveness of PDMPs.</p> <p>23 Q. And if you look at the -- this document 24 here, do you recognize this as being a</p>
<p style="text-align: center;">Page 207</p> <p>1 moment ago, but you see down at the bottom of the 2 page where it talks about the Ohio pilot program?</p> <p>3 A. Yes.</p> <p>4 Q. It says, "The Ohio pilot project will 5 test the impact of having a drug risk indicator in 6 the electronic health record and how that 7 impacts" -- or "affects clinical decision-making."</p> <p>8 Do you see that?</p> <p>9 A. I do.</p> <p>10 Q. From your work with the PDMPs, was that 11 a pilot that was actually put into place?</p> <p>12 A. I believe -- I don't believe Walgreens 13 participated in that specific pilot. But I would 14 expect that, I mean, yeah, I can't remember offhand 15 when it would have started or when it would have 16 completed. But this idea of a drug risk indicator 17 I believe has been incorporated into the Ohio PDMP 18 system.</p> <p>19 Q. Okay. And is that something that after 20 the DEA investigation and settlement, is that a 21 database that Walgreens now encourages their 22 pharmacists within Ohio to check?</p> <p>23 A. Yeah. In general we have got our 24 Walgreens good faith dispensing policies that</p>	<p style="text-align: center;">Page 209</p> <p>1 November 2012 e-mail chain that you are included 2 in? Do you see that on the first page?</p> <p>3 A. Yes.</p> <p>4 Q. And if you look down, it looks like your 5 e-mail at the bottom of the first page, and you 6 say, "Based on this report, I'm expecting that over 7 the next couple of years New York will start being 8 more aggressive in their review of our controlled 9 substance data for quality and accuracy."</p> <p>10 Do you see that?</p> <p>11 A. Yes.</p> <p>12 Q. Is New York a state that was -- that had 13 a PDMP program?</p> <p>14 A. Yes.</p> <p>15 Q. And is New York a state that you've 16 dealt with often in your duties related to state 17 PDMP or enforcing state regulations?</p> <p>18 A. Yeah, it was definitely a state that I 19 had interacted with on a number of occasions.</p> <p>20 Q. Was New York a state that you would 21 interact with more often than others?</p> <p>22 A. Yes, I would say so, yeah.</p> <p>23 Q. Were they more aggressive than other 24 states in implementing programs such as PDMPs and</p>

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<p>1 other programs that were designed to combat abuse 2 and diversion of drugs?</p> <p>3 A. You know, it's an interesting question.</p> <p>4 I think what really prompted me to communicate more 5 frequently with New York is they had a unique, a 6 unique data requirement that was different from any 7 other states that made it a challenge to report 8 records to them accurately and that has to do with 9 a prescription serial number requirement.</p> <p>10 So, that was something we were 11 constantly working with the State to help improve 12 the process around. It was not something that 13 directly impacted Walgreens. It impacted many 14 pharmacy stakeholders, from my understanding.</p> <p>15 Another state in that same vein who had 16 a similar requirement realized that that 17 requirement was so unique, it was actually 18 detracting from the -- basically the integrity of 19 the database because it was just too challenging 20 for pharmacies to accurately capture that 21 information. So, like another state actually 22 removed the requirement.</p> <p>23 So, that's really what prompted a lot of 24 my New York conversations, just reviewing that</p>	<p>1 significant variations in bureau drug investigation 2 practices across the state."</p> <p>3 Do you see that?</p> <p>4 A. Yep.</p> <p>5 Q. It goes on to say, "The abuse of 6 prescription medications has reached epidemic 7 proportions and the costs to society are 8 enormous," said Mr. DiNapoli.</p> <p>9 Do you see that?</p> <p>10 A. Yep.</p> <p>11 Q. It goes down a couple paragraphs, 12 starting with "DiNapoli's auditors." Do you see 13 where I am?</p> <p>14 A. Yeah, I do see that.</p> <p>15 Q. It says, "DiNapoli's auditors examined 16 28.5 million prescriptions dispensed over a 17 15-month period and found more than 325,000 18 prescriptions for controlled substance, filled more 19 than 565,000 times, contained errors or 20 inconsistencies in critical information."</p> <p>21 The next paragraph, it goes on to say, 22 "Zolpidem (a drug sometimes marketed as Ambien), 23 oxycodone (a pain medication commonly marketed as 24 OxyContin), and hydrocodone (a pain medication</p>
<p style="text-align: center;">Page 211</p> <p>1 situation and trying to improve the process.</p> <p>2 New York, compared to other states -- I 3 forgot. Prior to them implementing the iSTOP 4 program, I think if you compared them to other 5 states, they were actually probably less -- I 6 don't -- I don't think their program was as mature 7 as other states' programs. Let's put it that way.</p> <p>8 Q. Let's look at the article that was 9 attached to the e-mail chain. Do you see the title 10 of the article is "Audit Spurs Improvements At 11 Health Department's Bureau of Narcotic Enforcement"?</p> <p>12 Do you see that?</p> <p>13 A. Yes, I do.</p> <p>14 Q. Just above that you see it was released 15 on November 21, 2012?</p> <p>16 A. Yes.</p> <p>17 Q. And it says in the first paragraph, 18 "The State Health Department's Bureau of Narcotic 19 Enforcement tightened processes for combating abuse 20 of prescriptions for controlled substances during 21 an audit by the State Comptroller's office that 22 ultimately found hundreds of thousands of 23 prescriptions that may have been abused, poor 24 controls over unused prescription forms and</p>	<p style="text-align: center;">Page 213</p> <p>1 sometimes marketed as Vicodin), accounted for 2 nearly half of the drugs acquired with these 3 prescriptions."</p> <p>4 Do you see that?</p> <p>5 A. I do read that.</p> <p>6 Q. You agree that if you have errors such 7 as these that they can decrease the effectiveness 8 of a PDMP?</p> <p>9 A. Yeah, that there's a lack of information 10 in the PDMP. It does not allow it to be as 11 valuable as it could be.</p> <p>12 Q. And if it's not as valuable as it could 13 be, it's not as helpful as it could be to Walgreens 14 pharmacists that happen to look at the PDMP to 15 inform their dispensing decisions?</p> <p>16 A. Yeah, the interesting thing is prior to 17 the implementation of iSTOP, there were some 18 discussion at the state level that I participated 19 and I helped educate New York State to let them 20 know that their program is probably subpar compared 21 to some other states.</p> <p>22 And I think one of the things I 23 highlighted for them was that they collected their 24 information I think on a monthly basis while other</p>

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<p>1 states had been moving to weekly. And I also don't 2 believe pharmacists had access to their state 3 program until this iSTOP legislation was 4 implemented.</p> <p>5 So, that was something else that I 6 highlighted for them is that if they actually 7 provided access to pharmacists, it may be utilized 8 more so.</p> <p>9 Q. And I'm -- sorry if my question wasn't 10 clear, but I'm not talking specifically to 11 New York.</p> <p>12 A. Oh.</p> <p>13 Q. But I'm talking, you know, across the 14 country.</p> <p>15 If pharmacists, Walgreens pharmacists or 16 elsewhere, are not inputting accurate data into the 17 PDMP, that impacts how helpful the PDMP for 18 pharmacists who are dispensing controlled 19 substances, correct?</p> <p>20 A. Yes.</p> <p>21 MR. BENSINGER: Objection; argumentative.</p> <p>22 BY THE WITNESS:</p> <p>23 A. If the database is missing records 24 because of prescription errors, obviously you don't</p>	<p>1 Exhibit 19. 2 (WHEREUPON, a certain document was 3 marked as Walgreens-George Exhibit 4 No. 19: 5/29/13 e-mail string; 5 WAGMDL00330437 -- 00330443.)</p> <p>6 BY MR. GADDY:</p> <p>7 Q. Do you recognize this as another e-mail 8 correspondence that you are a part of?</p> <p>9 A. Yes.</p> <p>10 Q. And it looks like you were sent this 11 e-mail in May of 2013, about six months after that 12 last e-mail we looked at, by Al Carter. Who is 13 Mr. Carter?</p> <p>14 A. At the time he was my boss.</p> <p>15 Q. And what's his -- what was his title or 16 role then?</p> <p>17 A. Director of professional affairs.</p> <p>18 Q. And does he still have the same 19 position?</p> <p>20 A. He does not.</p> <p>21 Q. What's he do now?</p> <p>22 A. He's a divisional vice president I 23 believe of compliance with basically 24 non-pharmacy-related, let's say, roles.</p>
<p style="text-align: center;">Page 215</p> <p>1 get a full -- you don't have full access to a given 2 patient's history.</p> <p>3 And that was actually one of my points 4 of contention with the State of New York and some 5 other states when they do have unique requirements 6 that actually, again, detract from the ability for 7 pharmacies to provide as accurate information as 8 they would hope for.</p> <p>9 BY MR. GADDY:</p> <p>10 Q. And if you have an incomplete picture, I 11 think is what you called it, if a pharmacist has an 12 incomplete picture of a particular patient, it 13 could lead to that patient having a prescription 14 for controlled substances filled that maybe would 15 not have been filled had the pharmacist had access 16 to accurate information?</p> <p>17 A. I think the PMPs are one of the several 18 indicators or tools that a pharmacist may 19 reference. So, I would hope that that would not be 20 the only thing that they are relying upon.</p> <p>21 But if you're looking at a report and 22 it's incomplete, it could affect your 23 decision-making.</p> <p>24 Q. I show you what I will mark as</p>	<p style="text-align: center;">Page 217</p> <p>1 Q. Okay. And it looks like he sent you an 2 attached PowerPoint and he says here, "Take a look 3 at this and give me your thoughts in the morning." 4 Do you see that?</p> <p>5 A. Yes, I do see that.</p> <p>6 Q. Okay. And if you turn to the PowerPoint 7 presentation, it states that "Pharmacy Affairs 8 Organizational Review" is the title of it and it's 9 dated May 2013. Correct?</p> <p>10 A. Yes.</p> <p>11 Q. And if you turn the page again, it says, 12 "Pharmacy Affairs Organizational Review - Executive 13 Summary."</p> <p>14 Do you see that?</p> <p>15 A. Yes.</p> <p>16 Q. It says, "Regulations require the 17 company to report controlled substance 18 prescriptions to 45 state PMPs. All 50 states are 19 expected to have similar programs in the next few 20 years."</p> <p>21 Do you see that?</p> <p>22 A. Yes.</p> <p>23 Q. And earlier when we looked at some of 24 the Florida communications that you sent out, there</p>

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<p>1 was some information in there that said that the 2 reporting would be handled by corporate. Do you 3 recall that?</p> <p>4 A. Yes, I do.</p> <p>5 Q. Was the reporting of the dispensing 6 information handled by folks here in Deerfield?</p> <p>7 A. At the time of this document? It was a 8 joint process, but primarily based out of 9 Deerfield, correct.</p> <p>10 Q. It goes on to say, "Currently, the 11 reporting is completed by one FTE." Is that 12 full-time equivalent?</p> <p>13 A. That's correct.</p> <p>14 Q. So, basically meaning one employee?</p> <p>15 A. Yes.</p> <p>16 Q. "Currently, the reporting is completed 17 by one FTE in the Deerfield office and one 18 dedicated FTE in Danville."</p> <p>19 Where is Danville?</p> <p>20 A. Danville, Illinois. I think it's closer 21 to Indiana.</p> <p>22 Q. That's another Walgreens office?</p> <p>23 A. Yes.</p> <p>24 Q. It says, "Overflow is completed on an</p>	<p>1 Q. Well, during this time period Walgreens 2 has roughly 8,000 stores within the U.S., correct?</p> <p>3 A. Yeah, I believe so.</p> <p>4 Q. At this time Walgreens is I think a 5 Fortune 50, if not Fortune 25 company?</p> <p>6 A. Yeah, I believe Fortune 50.</p> <p>7 Q. Do you know about how many employees 8 Walgreens has?</p> <p>9 A. I have no idea.</p> <p>10 Q. But at this time in 2013 Walgreens had a 11 single individual in the Deerfield office dedicated 12 to doing this reporting along with some folks in -- 13 a second person in Danville, correct?</p> <p>14 A. Yes, that's correct.</p> <p>15 Q. And according to this document, 16 submission deadlines are being missed due to not 17 having enough dedicated headcount, correct?</p> <p>18 A. That's correct.</p> <p>19 Q. Goes on to say that there is -- that 20 Walgreens is risking a "minimum fine of \$500 per 21 unreported record." Correct?</p> <p>22 A. That's correct.</p> <p>23 Q. Also, the databases that Walgreens 24 pharmacists and CVS pharmacists and Walmart</p>
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<p>1 ad hoc basis by staff in Danville. Submission 2 deadlines are being missed due to not having enough 3 dedicated headcount assigned to monitor and correct 4 database errors."</p> <p>5 Do you see that?</p> <p>6 A. Yes.</p> <p>7 Q. What deadlines are being referred to 8 there?</p> <p>9 MR. BENSINGER: Objection; foundation.</p> <p>10 BY THE WITNESS:</p> <p>11 A. In general, a state has a requirement to 12 report a given prescription within, you know, X 13 days after it's been dispensed. So, if a 14 prescription is being rejected by the State due to 15 an error, then what's at risk is you would not be 16 able to meet that initial requirement for frequency 17 reporting.</p> <p>18 BY MR. GADDY:</p> <p>19 Q. Okay. And what your boss is reporting 20 here in this PowerPoint is that Walgreens is 21 missing deadlines, correct?</p> <p>22 A. I don't know if that's my main takeaway, 23 but I think we're trying to justify additional 24 headcount to help support reporting.</p>	<p>1 pharmacists and Rite Aid pharmacists rely on to 2 help make determinations about whether 3 prescriptions should be filled, those databases are 4 also not as accurate as they could be if some of 5 these deadlines are being missed, correct?</p> <p>6 A. Yeah, if they are missing records from 7 the database, then, yeah, they are definitely 8 impacted.</p> <p>9 Q. If you turn the page, there is a slide 10 on the background of controlled substance 11 reporting.</p> <p>12 Do you see in that first bullet point, 13 it says that when invalid or missing data is not 14 accepted by the state database, it usually requires 15 correction within a week.</p> <p>16 Do you see that?</p> <p>17 A. That's correct.</p> <p>18 Q. It goes on to say that "Until the record 19 is corrected and resubmitted, it's not considered 20 as being reported."</p> <p>21 Do you see that?</p> <p>22 A. Yes.</p> <p>23 Q. The next bullet point says, "Previously, 24 not many practitioners were using the state PDMP</p>

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<p>1 database so if invalid records were not timely 2 corrected, the risk to the company was low." 3 Do you see that? 4 A. I do read that, yes. 5 Q. What does that mean to you? 6 A. I think probably a couple things come to 7 mind here. One, if practitioners are not regularly 8 using the system or the database, then the impact 9 in general is not as significant as if they were 10 actively using it. 11 And then I think, secondly, when 12 practitioners are using it, they will inform the 13 State if they feel like the record is incomplete 14 or, you know, the patient's history is incomplete. 15 Q. So, fair to say that in this time period 16 more people are beginning to use the PMPs? 17 A. That's correct. 18 Q. And people are starting to notice when 19 there are errors from prescriptions that were 20 dispensed by Walgreens? 21 MR. BENSINGER: Objection; foundation. 22 BY THE WITNESS: 23 A. Yeah, I don't know if I see that yet in 24 this document. But, you know, when more people are</p>	<p>1 3,000 errors per week." 2 Do you see that? 3 A. I do. 4 Q. It says there is a backlog of over 5 22,000 records? 6 A. That's correct. 7 Q. And that with the average number of new 8 errors that come in each week that you need almost 9 three folks to resolve all the current errors. 10 Do you see that? 11 A. I do see that. 12 Q. If you see there, it then talks about 13 the specific risk that Mr. Carter notes in the 14 PowerPoint. 15 Do you see that? 16 A. I do. 17 Q. It says, "Two current FTEs can only 18 handle 6,000 errors per week. For the fiscal year 19 2013 gap of 2,800 records per week not being 20 corrected. For the remainder of fiscal year 2013, 21 potential fine of over \$16 million." 22 Do you see that? 23 A. I do. 24 Q. Would you agree that that would be a</p>
<p>1 using it, it makes sense that they are more apt to 2 notice any data inconsistencies. 3 BY MR. GADDY: 4 Q. If you turn to the next page, it's 5 entitled "Risk Assessment," correct? 6 A. That's correct. 7 Q. What is the risk that's being discussed, 8 do you know? 9 A. Of not having the prescription errors 10 resolved on a timely basis. 11 Q. And what could be the outcome of that? 12 MR. BENSINGER: Objection; foundation. 13 BY THE WITNESS: 14 A. I think we talked through a couple 15 things just now as far as, you know, from a 16 compliance standpoint, you know, not having the 17 records in the system, you know, the pharmacies are 18 required to have it there. 19 I think that's, you know, looking at my 20 role at the company at the time, that's my main, my 21 main goal is to make sure that we're compliant. 22 BY MR. GADDY: 23 Q. It says there under the "Current State" 24 that one employee "can on average resolve about</p>	<p>1 significant fine that Walgreens would have to pay 2 if they did not take care of these issues? 3 A. That's the case that we're trying to 4 make here. 5 Q. Safe to say that this PowerPoint was 6 assembled by, put together by your boss or your 7 unit just in an effort to get more staffing to help 8 with this problem? 9 A. Yes. 10 Q. It goes on to the next section there and 11 it says, "Future State." It says estimated average 12 number of errors per week as of September 1, 2013 13 is 10,000 and that you need over three individuals 14 to resolve all those errors on a weekly basis. 15 It says the estimated average number of 16 errors once all 50 states have a PMP is 12,000 with 17 one and a half errors per store per week and you 18 will need four individuals to resolve all those 19 errors on a weekly basis. 20 Do you see that? 21 A. I do. 22 Q. And if you see the -- under the "Risk," 23 you see they note the future, the potential fine 24 moving forward is over \$100 million?</p>

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<p>1 A. I do see that.</p> <p>2 Q. And, again, that was information that</p> <p>3 you and your team were putting together to justify</p> <p>4 just being able to hire more than the one and a</p> <p>5 half or two people that you had working on this at</p> <p>6 the time?</p> <p>7 A. That's correct.</p> <p>8 Q. Who would you make -- who would you make</p> <p>9 a request like that to?</p> <p>10 A. I don't -- so, I am like probably one</p> <p>11 layer removed from where this ultimately goes to.</p> <p>12 I think I was helping to compile the necessary</p> <p>13 details to justify the headcount, but I can't</p> <p>14 remember what the structure was to help approve</p> <p>15 that type of request.</p> <p>16 Q. After telling the, I guess, the more</p> <p>17 senior folks that you would have to make that</p> <p>18 request to about the potential of a \$16 million</p> <p>19 fine currently and the potential of an over</p> <p>20 \$100 million fine down the road, were you able to</p> <p>21 get more people?</p> <p>22 A. We did.</p> <p>23 MR. BENSINGER: Mr. Gaddy, I see that this may</p> <p>24 be a convenient time for us to take a short break.</p>	<p>1 such as Lortab or Vicodin --</p> <p>2 A. Yes.</p> <p>3 Q. -- that contain hydrocodone and</p> <p>4 acetaminophen?</p> <p>5 A. Um-hmm.</p> <p>6 Q. And you agree those would be classified</p> <p>7 as opioids?</p> <p>8 A. Yes.</p> <p>9 Q. And do you recall that there was a</p> <p>10 period of time when those particular drugs, the</p> <p>11 hydrocodone combination products, were classified</p> <p>12 as Schedule III drugs?</p> <p>13 A. Yes.</p> <p>14 Q. And do you agree that there was a period</p> <p>15 of time where there was a push by Congress and the</p> <p>16 DEA to reclassify those or reschedule those to</p> <p>17 Schedule II?</p> <p>18 A. Yes.</p> <p>19 Q. And I know we talked a little bit</p> <p>20 earlier when we were looking at your resume that</p> <p>21 one of the things that you did in your prior</p> <p>22 position was work with some of the government</p> <p>23 relations type folks to provide them information to</p> <p>24 help them do their jobs to make sure that they</p>
<p style="text-align: center;">Page 227</p> <p>1 Is that acceptable to go off the record briefly?</p> <p>2 MR. GADDY: Yes, that's fine.</p> <p>3 THE VIDEOGRAPHER: We are off the record at</p> <p>4 2:13 p.m.</p> <p>5 (WHEREUPON, a recess was had</p> <p>6 from 2:13 to 2:22 p.m.)</p> <p>7 THE VIDEOGRAPHER: We are back on the record</p> <p>8 at 2:22 p.m.</p> <p>9 BY MR. GADDY:</p> <p>10 Q. Mr. George, throughout the course of the</p> <p>11 day we have made several or I have made several</p> <p>12 references to HCPs without really talking about</p> <p>13 what those are. So, can you tell us what those</p> <p>14 are?</p> <p>15 A. Hydrocodone products.</p> <p>16 Q. Sure. Hydrocodone combination products?</p> <p>17 A. Yes.</p> <p>18 Q. Do you have an understanding what those</p> <p>19 are?</p> <p>20 A. I believe so. Products containing</p> <p>21 hydrocodone.</p> <p>22 Q. Okay.</p> <p>23 A. And usually acetaminophen.</p> <p>24 Q. Okay. Sure. You're familiar with drugs</p>	<p style="text-align: center;">Page 229</p> <p>1 weren't programs or changes made that could</p> <p>2 negatively impact pharmacies.</p> <p>3 Do you recall that?</p> <p>4 A. Pharmacies and patients alike.</p> <p>5 Q. Okay. When you were a pharmacist, those</p> <p>6 drugs were classified as Schedule III drugs,</p> <p>7 correct?</p> <p>8 A. That's correct.</p> <p>9 Q. And, generally speaking, can you tell us</p> <p>10 some of the differences between drugs that are</p> <p>11 classified as Schedule II and Schedule III as far</p> <p>12 as some of the security requirements that are</p> <p>13 placed on the drugs?</p> <p>14 MR. BENSINGER: Objection; calls for legal</p> <p>15 conclusion, foundation.</p> <p>16 BY THE WITNESS:</p> <p>17 A. Just from my experience in the pharmacy,</p> <p>18 if I was going to talk about what's different and</p> <p>19 how a pharmacy generally approaches those drugs</p> <p>20 from a security standpoint.</p> <p>21 BY MR. GADDY:</p> <p>22 Q. Sure.</p> <p>23 A. Schedule II drugs are usually stored in</p> <p>24 a more secure safe, let's say, with the pharmacist</p>

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<p>1 key.</p> <p>2 Q. Would you agree that generally speaking</p> <p>3 the rules and regulations that apply to Schedule II</p> <p>4 drugs usually call them to be kept a little bit</p> <p>5 more secure than other drugs?</p> <p>6 A. I think in practice that's what you will</p> <p>7 notice. I can't say that's 100% across the board.</p> <p>8 My recollection is there is some variance as to how</p> <p>9 the DEA requires Schedule II drugs, that they</p> <p>10 provide some flexibility, that they could be</p> <p>11 interdispersed with other non-controlled substance</p> <p>12 prescriptions.</p> <p>13 Q. Okay. So, the interdispersed option</p> <p>14 means that you can have Schedule III drugs sitting</p> <p>15 on the shelf with blood pressure medication,</p> <p>16 diabetes drugs or other non-controlled medications</p> <p>17 where you can't do that with Schedule IIs?</p> <p>18 MR. BENSINGER: Objection; calls for legal</p> <p>19 conclusion.</p> <p>20 BY THE WITNESS:</p> <p>21 A. I would have to take a second look. I</p> <p>22 was under the impression that you could also</p> <p>23 interdispense Schedule II drugs.</p> <p>24 BY MR. GADDY:</p>	<p>1 Q. And you see this one is dated May 2002?</p> <p>2 A. Yes, I do.</p> <p>3 Q. And the topic of this one actually is</p> <p>4 one that you may be familiar with. It says, "State</p> <p>5 Monitoring Programs Provide Useful Tool to Reduce</p> <p>6 Diversion."</p> <p>7 Do you see that?</p> <p>8 A. I do.</p> <p>9 Q. Is this a report that you're familiar</p> <p>10 with?</p> <p>11 A. I do not believe so. I did not review</p> <p>12 any 2002 documents on this subject.</p> <p>13 Q. Okay. Is this a -- do you recall at any</p> <p>14 time during your career at Walgreens and</p> <p>15 specifically when you were charged more with</p> <p>16 monitoring the different PDMPs across the country</p> <p>17 that you reviewed anything related to this report?</p> <p>18 A. The one dated 2002?</p> <p>19 Q. Correct.</p> <p>20 A. No, I do not recall reviewing anything</p> <p>21 related to this report.</p> <p>22 Q. If you turn, looking at the bottom</p> <p>23 center of the page, to page 1.</p> <p>24 A. Okay.</p>
<p style="text-align: center;">Page 231</p> <p>1 Q. Okay. Do you have an understanding of</p> <p>2 whether or not hydrocodone combination products are</p> <p>3 the type of drugs that are commonly diverted and</p> <p>4 abused?</p> <p>5 A. I wouldn't have specific insight into</p> <p>6 that. I think given that hydrocodone products are</p> <p>7 now a Schedule II drug, I would expect that the DEA</p> <p>8 took that into consideration when they moved it to</p> <p>9 a more restrictive class.</p> <p>10 Q. I will show you what I will mark as</p> <p>11 Exhibit 20.</p> <p>12 (WHEREUPON, a certain document was</p> <p>13 marked as Walgreens-George Exhibit</p> <p>14 No. 20: U.S. GAO Report,</p> <p>15 "Prescription Drugs, State</p> <p>16 Monitoring Programs Provide Useful</p> <p>17 Tool to Reduce Diversion";</p> <p>18 P-GEN-0055.)</p> <p>19 BY MR. GADDY:</p> <p>20 Q. This is a -- we looked at one of these</p> <p>21 earlier, but this is another report, a GAO report</p> <p>22 to a committee of the House of Representatives.</p> <p>23 Do you see that?</p> <p>24 A. I do.</p>	<p style="text-align: center;">Page 233</p> <p>1 Q. And you see at the top of the page there</p> <p>2 is the United States General Accounting Office</p> <p>3 letterhead up there and then the date of this</p> <p>4 letter is May 17, 2002.</p> <p>5 Do you see that?</p> <p>6 A. Yes, I do.</p> <p>7 Q. And do you see, just starting at the</p> <p>8 beginning of this letter, it reads, "The increasing</p> <p>9 diversion of prescription drugs for illegal use is</p> <p>10 a disturbing trend in the nation's battle against</p> <p>11 drug abuse. Prescription drug diversion is the</p> <p>12 channelling of licit pharmaceuticals for illegal</p> <p>13 purposes or abuse. It can involve activities such</p> <p>14 as 'doctor shopping' by individuals who visit</p> <p>15 numerous physicians to obtain multiple</p> <p>16 prescriptions, illegal sales of prescription drugs</p> <p>17 by physicians or pharmacists, and prescription</p> <p>18 forgery."</p> <p>19 Do you see that?</p> <p>20 A. I do.</p> <p>21 Q. Is that consistent with your</p> <p>22 understanding of ways that licit pharmaceuticals</p> <p>23 such as controlled substances can be diverted into</p> <p>24 illegal channels?</p>

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<p>1 A. Yeah, I think these -- I think this 2 sentence describes potential channels for 3 diversion.</p> <p>4 Q. And these are channels, would you agree, 5 that you were aware of back in the time period of 6 2000 to 2006 while you were a Walgreens pharmacist?</p> <p>7 A. I mean, I think conceptually I think 8 this is -- these are items that would be something 9 I would have known about. I can't say that I have 10 any specific knowledge of illegal sales of 11 prescription drugs by physicians or pharmacists.</p> <p>12 Q. But conceptually you had an 13 understanding of these issues?</p> <p>14 A. Yeah.</p> <p>15 Q. It goes on to say, "The most frequently 16 diverted prescription drugs are those that are 17 prone to abuse, addiction and dependence such as 18 hydrocodone (the active ingredient in Lortab and 19 many other drugs), diazepam (Valium), the drug 20 Ritalin and oxycodone (the active ingredient in 21 OxyContin and many other drugs)."</p> <p>22 Do you see that?</p> <p>23 A. I do.</p> <p>24 Q. Back in this time period when you were a</p>	<p>1 there, it says, "The abuse and illegally diverted 2 prescription drugs" -- excuse me. "The abuse of 3 illegally diverted prescription drugs is associated 4 with serious consequences, including addiction, 5 overdose and death."</p> <p>6 Do you see that?</p> <p>7 A. I do.</p> <p>8 Q. Did you have an understanding of those 9 facts back in 2000 to 2006 time frame when you were 10 a Walgreens pharmacist?</p> <p>11 A. Yeah, I mean, I would say that, yeah, 12 these drugs, if taken, you know, over a certain 13 threshold can definitely reduce -- I mean, could 14 result in addiction, overdose or death, yeah.</p> <p>15 Q. Would this have been information that 16 you had within your knowledge base at any point in 17 time when you were asked to provide input on the 18 potential to reclassify hydrocodone combination 19 products from Schedules III to II?</p> <p>20 MR. BENSINGER: May I have that question read 21 back, please.</p> <p>22 (WHEREUPON, the record was read 23 by the reporter as requested.)</p> <p>24 MR. BENSINGER: Objection; foundation. You</p>
Page 235	Page 237
<p>1 practicing pharmacist with Walgreens, did you have 2 an understanding that hydrocodone, such as Lortab, 3 Vicodin, and also oxycodone were two of the drugs 4 that were prone to abuse, addiction and dependence?</p> <p>5 A. I mean, I would say that any controlled 6 substance is prone to abuse or addiction.</p> <p>7 Q. Did you recall receiving any specialized 8 or specific training or education from Walgreens, 9 any formalized education or training on those 10 issues?</p> <p>11 MR. BENSINGER: Asked and answered.</p> <p>12 BY THE WITNESS:</p> <p>13 A. No formal training.</p> <p>14 BY MR. GADDY:</p> <p>15 Q. It goes on to say that "According to the 16 DEA, increases in the extent of prescription drug 17 abuse and in emergency room admissions related to 18 prescription drug abuse, as well as an increase in 19 the theft and illegal resale of prescription drugs, 20 indicate that drug diversion is a growing problem 21 nationwide."</p> <p>22 Do you see that?</p> <p>23 A. I do.</p> <p>24 Q. In the last sentence of that paragraph</p>	<p>1 can answer.</p> <p>2 BY THE WITNESS:</p> <p>3 A. I -- I -- again, I think this directly 4 could apply to a number of controlled substances, 5 not just hydrocodone being a controlled substance.</p> <p>6 BY MR. GADDY:</p> <p>7 Q. Well, and my question is specifically 8 related to hydrocodone combination products that 9 were at one point in time classified as 10 Schedule III.</p> <p>11 Is this information that we just went 12 over, that hydrocodone combination products are 13 prone to abuse, addiction and dependence, that the 14 abuse of products such as hydrocodone combination 15 products is associated with serious consequences, 16 including addiction, overdose and death, are those 17 facts that were within your base of knowledge when 18 you were asked for information or involved in 19 providing information about the potential of HCPs 20 being changed from Schedule III to Schedule II?</p> <p>21 A. I mean, I see in the document it talks 22 about diverted prescription drugs. Lortab, 23 hydrocodone being in Schedule III, carry a higher 24 risk designation compared to the Diazepam that is</p>

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<p>1 referenced in this article.</p> <p>2 Again, any of these drugs including</p> <p>3 hydrocodone products would have the same potential</p> <p>4 risk but at varying degrees based upon DEA</p> <p>5 designation.</p> <p>6 Q. And from the standpoint of my question</p> <p>7 you could forget about the article.</p> <p>8 A. Oh.</p> <p>9 Q. Okay. My question is in the 2013, 2014</p> <p>10 time period when there is an effort by the DEA to</p> <p>11 have hydrocodone combination products reclassified</p> <p>12 from III to II, this information that we just</p> <p>13 looked at here, that hydrocodone combination</p> <p>14 products are subject to abuse, addiction and</p> <p>15 dependence, that the consequences of those drugs</p> <p>16 being illegally diverted is addiction, overdose and</p> <p>17 death, is that information that you had within your</p> <p>18 knowledge base at that time, 2013, 2014?</p> <p>19 A. Yes.</p> <p>20 Q. Okay. Let me show you what I'm going to</p> <p>21 mark as Exhibit No. 21.</p> <p>22 (WHEREUPON, a certain document was</p> <p>23 marked as Walgreens-George Exhibit</p> <p>24 No. 21: 10/2/08 Colorado US Attny</p>	<p>1 or distributors, that were investigated and fined</p> <p>2 by the DEA?</p> <p>3 A. I think in general I was aware of a fine</p> <p>4 against Cardinal Health and then maybe a couple of</p> <p>5 the other chains as well. But, again, I wasn't</p> <p>6 familiar with the specifics with any of those.</p> <p>7 Q. Would this have been information that</p> <p>8 was provided to you by folks within Walgreens or</p> <p>9 information that you picked up on your own?</p> <p>10 A. Probably most cases what I might have</p> <p>11 picked up on my own.</p> <p>12 Q. Do you see here in this particular</p> <p>13 release -- if you start at the second sentence</p> <p>14 of -- let's just read the whole first paragraph.</p> <p>15 It says, "Cardinal Health, Inc., one of</p> <p>16 the nation's largest distributors of pharmaceutical</p> <p>17 drugs, has agreed to settle allegations that it</p> <p>18 violated federal reporting provisions relating to</p> <p>19 the handling of certain controlled substances</p> <p>20 regulated by the DEA. Under the agreement between</p> <p>21 the company and seven United States Attorney's</p> <p>22 offices, Cardinal Health agreed to pay 34 million</p> <p>23 in civil penalties for alleged violations of its</p> <p>24 obligations under the Controlled Substance Act."</p>
<p style="text-align: center;">Page 239</p> <p>1 Office article; P-GEN-0075.)</p> <p>2 BY MR. GADDY:</p> <p>3 Q. Do you see at the top left-hand corner</p> <p>4 of this page this is a document from the U.S.</p> <p>5 Attorney's Office in Colorado?</p> <p>6 A. I do see that.</p> <p>7 Q. And under the heading of "News," there</p> <p>8 is the date of August -- excuse me -- October 2,</p> <p>9 2008.</p> <p>10 Do you see that?</p> <p>11 A. Yeah, I do.</p> <p>12 Q. And the title of this particular article</p> <p>13 is "Cardinal Health, Inc. agrees to pay 34 million</p> <p>14 to settle claims that it failed to report</p> <p>15 suspicious sales of widely abused controlled</p> <p>16 substances."</p> <p>17 Do you see that?</p> <p>18 A. I do.</p> <p>19 Q. We have talked a lot today about some of</p> <p>20 the Walgreens investigations that were performed by</p> <p>21 the DEA.</p> <p>22 During the course of your employment at</p> <p>23 Walgreens did you ever come to be aware of any</p> <p>24 other drug companies, whether it's pharmacy chains</p>	<p style="text-align: center;">Page 241</p> <p>1 Do you see that?</p> <p>2 A. Yes.</p> <p>3 Q. If you go on to the next paragraph, it</p> <p>4 says, "Cardinal Health, which operates 27</p> <p>5 DEA-registered distribution facilities, failed to</p> <p>6 report to DEA suspicious orders of hydrocodone that</p> <p>7 it then distributed to pharmacies that filled</p> <p>8 illegitimate prescriptions originating from rogue</p> <p>9 Internet websites."</p> <p>10 Do you see that?</p> <p>11 A. Yes, I do.</p> <p>12 Q. Did you have an understanding prior to</p> <p>13 this 2013-2014 time period where there was an</p> <p>14 attempt to reschedule hydrocodone combination</p> <p>15 products that the DEA had been investigating and</p> <p>16 sanctioning companies who were distributing that</p> <p>17 drug, in their opinion, in a reckless manner?</p> <p>18 A. I don't think I had specific knowledge</p> <p>19 of that.</p> <p>20 Q. If you go down to the bottom of the</p> <p>21 page, the very last sentence on that page, do you</p> <p>22 see it says, "Hydrocodone is the most commonly</p> <p>23 diverted and abused controlled pharmaceutical in</p> <p>24 the United States."</p>

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<p>1 Do you see that?</p> <p>2 A. Yes, I do.</p> <p>3 Q. Did you know that to be true?</p> <p>4 A. I did not know that to be true.</p> <p>5 Q. Have you ever heard that before prior to</p> <p>6 sitting here today?</p> <p>7 A. Can't say for certain I have heard that</p> <p>8 exact phrase.</p> <p>9 Q. I show you what I'll mark as</p> <p>10 Exhibit No. 22.</p> <p>11 (WHEREUPON, a certain document was</p> <p>12 marked as Walgreens-George Exhibit</p> <p>13 No. 22: 5/23/12 e-mail string;</p> <p>14 WAGMDL00614056 - 00614059.)</p> <p>15 BY MR. GADDY:</p> <p>16 Q. Do you see at the top of the page here</p> <p>17 there is a May 23, 2012 e-mail from a Carol Kelly</p> <p>18 with NACDS.</p> <p>19 A. Okay.</p> <p>20 Q. Do you know Ms. Kelly?</p> <p>21 A. I don't believe so.</p> <p>22 Q. And you see the subject line of this</p> <p>23 particular e-mail is, "Urgent/Manchin</p> <p>24 amendment/potential call to Greg Wasson."</p>	<p>1 A. From time to time.</p> <p>2 Q. It says, "Debbie and Ed, This Manchin</p> <p>3 amendment was filed this afternoon and we hear the</p> <p>4 Senator has the votes to pass it."</p> <p>5 Are you familiar with Joe Manchin, the</p> <p>6 Senator from West Virginia?</p> <p>7 A. Yeah, I've seen him on TV.</p> <p>8 Q. Okay. It goes on to say, "PhRMA, GPHA</p> <p>9 and HDMA are all against it and I expect that NCPA</p> <p>10 will also send up a note against it tonight."</p> <p>11 Do you know what those acronyms are?</p> <p>12 A. NCP -- let's see. I can't say I know</p> <p>13 exactly, but I think in general HDMA is drug</p> <p>14 distributors I believe.</p> <p>15 Q. Trade association?</p> <p>16 A. Yeah, trade association I think.</p> <p>17 NCPA is Community Pharmacy Association</p> <p>18 maybe, more related to independents, community</p> <p>19 pharmacy.</p> <p>20 Q. You recognize them all to be trade</p> <p>21 associations?</p> <p>22 A. Yes.</p> <p>23 Q. Okay. Just so we can get a sense of</p> <p>24 what the amendment is that's being talked about, do</p>
<p>1 Do you see that?</p> <p>2 A. I do see that in the subject.</p> <p>3 Q. Do you know who is being referred to</p> <p>4 there with the Manchin amendment?</p> <p>5 A. No, I don't know offhand. I assume it's</p> <p>6 in the document, though.</p> <p>7 Q. And the other part of that subject line</p> <p>8 says, "Potential call to Greg Wasson." Do you know</p> <p>9 who Mr. Wasson is?</p> <p>10 A. At the time I believe he was the CEO of</p> <p>11 Walgreens.</p> <p>12 Q. If you go down to the below e-mail, you</p> <p>13 see that it was originally sent again from Carol</p> <p>14 Kelly to Debbie Garza and Ed Kaleta with Walgreens.</p> <p>15 Do you see that?</p> <p>16 A. Yes.</p> <p>17 Q. Do you know either Debbie or Ed?</p> <p>18 A. Yes, they were both in the government</p> <p>19 relations office in Washington D.C.</p> <p>20 Q. Okay. Were -- during the course of your</p> <p>21 time in -- during this time frame, 2012, the</p> <p>22 position that you were in then, did you from time</p> <p>23 to time work with or correspond with folks such as</p> <p>24 Ed and Debbie in Washington on issues?</p>	<p>1 you see where it says, "Note from Kevin"?</p> <p>2 A. Yes.</p> <p>3 Q. It says, "Yes, we would oppose this. It</p> <p>4 would make all products containing hydrocodone a</p> <p>5 C-II. Right now only plain hydrocodone products</p> <p>6 are C-II. This would make combination hydrocodone</p> <p>7 products C-II."</p> <p>8 Do you see that?</p> <p>9 A. I do see that.</p> <p>10 Q. And is this consistent with your</p> <p>11 recollection that in this time frame there was a</p> <p>12 push to reschedule hydrocodone combination products</p> <p>13 from III to II?</p> <p>14 A. Yeah, I mean, I remember there was a</p> <p>15 push that ultimately resulted in that drug class</p> <p>16 change.</p> <p>17 Q. Ultimately the change was -- the change</p> <p>18 happened from III to II?</p> <p>19 A. Yes.</p> <p>20 Q. If we go back up to where we were</p> <p>21 looking, it says the trade associations are all</p> <p>22 against it. Then it says, "Please see first below</p> <p>23 the note from Kevin explaining the problems with</p> <p>24 the amendment and then the blast e-mail Marc just</p>

<p style="text-align: right;">Page 246</p> <p>1 sent to all health LAs against it. We understand 2 from staff that Manchin may call Greg to tell him 3 why he's offering this."</p> <p>4 And Greg would be Greg Wasson that we 5 see in the subject line?</p> <p>6 A. That's what I expect, yes.</p> <p>7 Q. So, it looks like the Senator may be 8 calling the CEO of Walgreens to discuss this 9 amendment that he's proposed, correct?</p> <p>10 A. That's what it looks like.</p> <p>11 Q. It says, "Basically the problem is so 12 bad in West Virginia that he has to do something." 13 Do you see that?</p> <p>14 A. Yes. I do see that.</p> <p>15 Q. I show you what I will mark as 16 Exhibit No. 23.</p> <p>17 (WHEREUPON, a certain document was 18 marked as Walgreens-George Exhibit 19 No. 23: 5/24/12 e-mail string; 20 WAGMDL00617478 - 00617481.)</p> <p>21 BY MR. GADDY:</p> <p>22 Q. Do you recognize this as being another 23 e-mail chain?</p> <p>24 A. Yes, it is another e-mail chain,</p>	<p style="text-align: right;">Page 248</p> <p>1 was your boss, Al Carter, to ask him if he knew 2 anything about this, correct?</p> <p>3 A. That's correct.</p> <p>4 Q. Looks -- if you flip to the prior page, 5 it looks like he had not. So, then you forwarded 6 the e-mail to Steven Gregory. Correct?</p> <p>7 A. Yes.</p> <p>8 Q. What was your interest in finding out if 9 this was something that was taking place?</p> <p>10 A. Really, you know, it's hard for me to 11 exactly remember, but I would imagine that if this 12 was reclassified as Schedule II, there would be a 13 number of items that we'd have to essentially 14 analyze to figure out what compliance with that 15 change would be because it wouldn't be -- I don't 16 think I would expect a simple change to allow for 17 compliance.</p> <p>18 Q. Okay. You were worried about what 19 impact it might have on Walgreens pharmacies that 20 you might have to implement changes for?</p> <p>21 A. Yeah, how to -- how difficult it would 22 be, what things we would have to account for from a 23 compliance standpoint.</p> <p>24 Q. And if you flip to the next page, you</p>
<p style="text-align: right;">Page 247</p> <p>1 correct.</p> <p>2 Q. Okay. And if you go to -- it's actually 3 the second-to-last page of the document, at the -- 4 in the middle of the page, it looks like an 5 Alexander Patt forwarded an article to you and 6 asked you whether or not the Feds were making all 7 hydrocodone C-II.</p> <p>8 Do you see that?</p> <p>9 A. I do see that.</p> <p>10 Q. And if we look at the article below 11 there, it says, "U.S. Senators on Wednesday evening 12 unanimously passed an amendment to the FDA 13 reauthorization bill that would reclassify all 14 hydrocodone substances and make punishment for 15 their trafficking more severe. The amendment 16 introduced by Senator Joe Manchin from West 17 Virginia would reclassify painkillers like Vicodin 18 and Lortab as Schedule II drugs which also affects 19 how they are to be stored and prescribed."</p> <p>20 Do you see that?</p> <p>21 A. I do.</p> <p>22 Q. And it looks like, if you look at the 23 top of that page, when you received this e-mail 24 that you forwarded on to who I think you told us</p>	<p style="text-align: right;">Page 249</p> <p>1 see where Steven Gregory responds to you, correct?</p> <p>2 A. Yes, I do see that.</p> <p>3 Q. It says, "Yes, the Manchin amendment 4 passed in the PDUFA bill last night. Apparently, 5 this amendment came out of nowhere. The bottom 6 line is it's the only Senate" -- "it's only in 7 Senate bill and we along with other pharmacy groups 8 will fight hard to get it struck in conference."</p> <p>9 Do you see that?</p> <p>10 A. Yes.</p> <p>11 Q. No doubt that Walgreens was against this 12 bill passing, correct?</p> <p>13 A. Yeah, I think we were concerned about 14 the implications on patient access.</p> <p>15 Q. Okay. It goes on to say, "The amendment 16 would make all products containing hydrocodone a 17 C-II. Right now only plain hydrocodone products 18 are C-II. This would make combination hydrocodone 19 products C-II."</p> <p>20 Correct?</p> <p>21 A. Yes, I see that.</p> <p>22 Q. Okay. During this time period you said 23 that you're concerned about patient access.</p> <p>24 Walgreens pharmacies dispense Schedule II drugs,</p>

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<p>1 correct?</p> <p>2 A. That's correct.</p> <p>3 Q. And patients are able to get access to</p> <p>4 their oxycodone?</p> <p>5 A. Um-hmm.</p> <p>6 Q. Walgreens was against hydrocodone</p> <p>7 combination products being reclassified as</p> <p>8 Schedule III?</p> <p>9 A. That's correct. For patient access</p> <p>10 purposes, you know, concern.</p> <p>11 Q. Keeping in mind the document that we</p> <p>12 just looked at that said hydrocodone is the most</p> <p>13 commonly abused product or, excuse me, most</p> <p>14 commonly abused prescription drug, wouldn't you</p> <p>15 think it would be appropriate for that to be</p> <p>16 classified as a Schedule II drug?</p> <p>17 A. I don't think that would be like within</p> <p>18 my -- I don't think I'd be the one to make that</p> <p>19 call. You noted an article in 2008. If it was an</p> <p>20 immediate need, I would assume the DEA would have</p> <p>21 made that change in 2009, but they didn't. So, I</p> <p>22 don't believe it's a black-and-white situation.</p> <p>23 I would expect the DEA took that into</p> <p>24 account over the years to figure out when is the</p>	<p>1 provide their perspective on the issue and so I</p> <p>2 don't know if it's just as simple as the DEA and</p> <p>3 their thought on the topic on their own is really</p> <p>4 the only thing that would be factored in.</p> <p>5 Q. Okay. So, I'll go back to my earlier</p> <p>6 question is, knowing what we just read in the</p> <p>7 previous document that hydrocodone is the most</p> <p>8 abused prescription drug, don't you believe that it</p> <p>9 would be appropriate for it to have the higher</p> <p>10 classification level and therefore be subject to</p> <p>11 the additional security requirements that come with</p> <p>12 the Schedule II as opposed to a Schedule III?</p> <p>13 A. I mean, given --</p> <p>14 MR. BENSINGER: Object.</p> <p>15 Excuse me, Mr. George. You have to let</p> <p>16 me and other counsel interpose objection before you</p> <p>17 answer.</p> <p>18 I object to the hypothetical, calls for</p> <p>19 speculation.</p> <p>20 BY THE WITNESS:</p> <p>21 A. I mean, given it is a Schedule II drug</p> <p>22 now, I'm not sure I exactly follow it because it is</p> <p>23 a Schedule II drug now. So, I would expect that</p> <p>24 all those involved kind of sign on for that.</p>
<p style="text-align: right;">Page 251</p> <p>1 right time that they felt it was necessary to make</p> <p>2 those changes and support those changes.</p> <p>3 Q. You would defer to the DEA and their</p> <p>4 recommendations on classification of drugs?</p> <p>5 A. I believe it's part of their role or</p> <p>6 responsibility with the Government to weigh in on</p> <p>7 the drug classifications.</p> <p>8 Q. Sure. And my question is: Would you</p> <p>9 defer to them on what they think is appropriate for</p> <p>10 the classification of drugs?</p> <p>11 A. Ultimately whatever they schedule the</p> <p>12 drug as is what our pharmacies and I would expect</p> <p>13 practitioners to follow.</p> <p>14 Q. Well, you can see from the fact that</p> <p>15 there is having to be bills introduced in the</p> <p>16 Senate that it's a legislature issue, not a DEA</p> <p>17 issue, as far as how drugs are classified, right?</p> <p>18 A. Yeah, I believe so.</p> <p>19 Q. Okay. So, my question to you is: Would</p> <p>20 you defer to DEA's position where they believe</p> <p>21 drugs should be classified or would you not?</p> <p>22 A. You know, I think when you have a</p> <p>23 conversation around scheduling a drug, there is</p> <p>24 multiple stakeholders that would contribute to</p>	<p style="text-align: right;">Page 253</p> <p>1 BY MR. GADDY:</p> <p>2 Q. Well, Walgreens didn't sign on for it.</p> <p>3 It says, "We along with other pharmacy groups will</p> <p>4 fight hard to get it struck in conference."</p> <p>5 Correct?</p> <p>6 A. That's what I read here.</p> <p>7 Q. Walgreens was not going along with</p> <p>8 having hydrocodone combination products</p> <p>9 reclassified to Schedule II, were they?</p> <p>10 A. I think we were concerned with patient</p> <p>11 access.</p> <p>12 Q. Okay. It says, "This amendment would</p> <p>13 make all products containing hydrocodone a C-II.</p> <p>14 Right now only plain hydrocodone products are C-II.</p> <p>15 This would make combination products a C-II."</p> <p>16 And it looks like what Steven does here</p> <p>17 is kind of lay out his case against the</p> <p>18 reclassification.</p> <p>19 He says, "This wouldn't help with</p> <p>20 diversion and abuse. OxyContin is already C-II and</p> <p>21 it is one of the most abused medications."</p> <p>22 Do you see that?</p> <p>23 A. I do read that.</p> <p>24 Q. Okay. The language is interesting to</p>

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<p>1 me, "one of the most abused medications." We just 2 saw that what is the most abused medication? 3 A. The article -- 4 MR. BENSINGER: Objection. Objection; 5 foundation, vague. 6 BY THE WITNESS: 7 A. From the article, it indicated that 8 hydrocodone was. 9 BY MR. GADDY: 10 Q. He then goes on to say, "This would 11 inconvenience patients with chronic pain who would 12 not be able to get refills on combination 13 hydrocodone medications. These patients would have 14 to see their doctors to get every prescription 15 because C-II prescriptions cannot be phoned into 16 the pharmacy. This would greatly increase costs to 17 every pharmacy and every pharmacy chain warehouse 18 because C-II products have to be stored in 19 heavy-duty safes." 20 Do you see that? 21 A. I do read that. 22 Q. So, it looks like his first bullet point 23 says that oxycodone is -- his first bullet point is 24 this wouldn't help with diversion and abuse.</p>	<p>1 Q. And the first two that you note there 2 relate to patient access as far as needing to see a 3 doctor again to get a refill, correct? 4 A. Doctor and then also cost, yep. 5 Q. Sure. But both issues are related to 6 having to go back to the doctor to get a refill? 7 A. Yes. 8 Q. Okay. I will show you what I'm marking 9 as Exhibit 24. 10 (WHEREUPON, a certain document was 11 marked as Walgreens-George Exhibit 12 No. 24: 9/25/12 e-mail string; 13 WAGMDL00517021 - 00517023.) 14 BY MR. GADDY: 15 Q. And do you see this is a September 2012 16 e-mail from you? 17 A. I do see that. 18 Q. And the subject line is "APhA 19 information request for the FDA hydrocodone 20 meeting." 21 Do you see that? 22 A. I do. 23 Q. And you write here, "Dan, the costs to 24 patients and pharmacies, when required to dispense</p>
<p>1 Second bullet point is the patient access issue 2 that you were talking about. The third bullet 3 point is cost to Walgreens and other pharmacies. 4 Correct? 5 A. Yes, it -- 6 MR. BENSINGER: Object to the summary. 7 BY THE WITNESS: 8 A. It looks like there is three things that 9 are referenced here, yep. 10 BY MR. GADDY: 11 Q. And it looks like in the e-mail above 12 you give some additional input, correct? 13 A. Yes. 14 Q. You say in No. 1, "No refills also means 15 increased patient traffic for doctors who are 16 already struggling to keep up with patient demand. 17 No. 2, "The additional visit may require 18 additional co-pays - cost to patients, insurance 19 and healthcare. 20 And, 3, "It may not be feasible to store 21 the number of affected products within the 22 traditional pharmacy narcotic cabinet." 23 Do you see that? 24 A. I do.</p>	<p>1 hydrocodone products one time at a fill, was 2 expected to be our biggest argument, but the data I 3 have received thus far from IT only 3% of new 4 hydrocodone prescriptions have at least one refill 5 authorized." (As read.) 6 Do you see that? 7 A. I do. 8 Q. You go on to say, "I don't think this 9 information will help our case." 10 Do you see that? 11 A. Yes. 12 Q. What you found when you actually looked 13 into it is that these new hydrocodone prescriptions 14 don't have a refill authorized anyway, at least the 15 vast majority of the time, correct? 16 A. That's what this e-mail says. 17 Q. So, when you were writing to the 18 government relations folks and giving them some 19 bullet points that they could use to argue against 20 this, what you thought, according to this e-mail, 21 was going to be your biggest argument ended up not 22 helping your case at all, correct? 23 A. That's what it appears. 24 Q. And it looks like if you go down in this</p>

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<p>1 e-mail chain that you were looking into this as a 2 request to give information to NACDS. 3 Do you see that? 4 Looking at the e-mail directly below 5 yours. It says, "Following up on this request have 6 we given NACDS any information?" 7 A. Oh, I see, yes. 8 Q. Did you make any presentation to NACDS? 9 A. I don't think I presented to NACDS. 10 Q. Did you provide any information to 11 NACDS? 12 A. I may have provided some information 13 along these lines. 14 Q. After you found out that what you 15 thought was going to be your best argument against 16 the reclassification of hydrocodone combination 17 products, did you make NACDS aware that you found 18 out that that actually wasn't going to help your 19 case? 20 A. I can't recall. 21 Q. Do you recall if you sent any 22 communication to the government relations folks and 23 let them know that what you thought had been your 24 best argument, the patient access issue, was</p>	<p>1 Additional information and the bill text is 2 attached." 3 Do you see that? 4 A. Yes. 5 Q. And then it goes down to say, "End 6 Prescription Drug Abuse and Co-Sponsor the Safe 7 Prescribing Act of 2013." 8 Do you see that? 9 A. Yes. 10 Q. And if you go down to the bottom, this 11 letter is signed by Senator Joe Manchin? 12 A. Yes. 13 Q. It says, "Dear Colleague, we invite you 14 to join us in addressing one of the principal 15 factors driving the prescription drug abuse 16 epidemic nationwide - the easy availability of 17 hydrocodone combination pills like Vicodin, Norco, 18 Lorcet and Lortab, which are currently listed as 19 Schedule III drugs under the Controlled Substance 20 Act. The Safe Prescribing Act of 2013 would move 21 these drugs up to Schedule II, making it more 22 difficult to prescribe and obtain them." 23 Do you see that? 24 A. Yes.</p>
<p style="text-align: center;">Page 259</p> <p>1 actually not going to help your case? 2 A. According to this e-mail, I think I cc'd 3 our government relations contact. So, I would 4 assume that this would have informed them of that 5 information. 6 Q. Do you know what they went and did with 7 that information? 8 A. I do not know. 9 Q. I show you what I will mark as 10 Exhibit 25. 11 (WHEREUPON, a certain document was 12 marked as Walgreens-George Exhibit 13 No. 25: 3/8/13 e-mail string; 14 WAGMDL0000533039 - 00533041.) 15 BY MR. GADDY: 16 Q. This is another e-mail exchange. But if 17 you look in the middle of the second page, you'll 18 see the communication from Senator Joe Manchin's 19 office. Are you with me? 20 A. Is this the e-mail from Benjamin 21 Nathanson? 22 Q. Correct. There's a -- it says, "Hey, 23 Ben, can you please this circulate this Dear 24 Colleague to health and judiciary staffers?"</p>	<p style="text-align: center;">Page 261</p> <p>1 Q. It goes on to say that "Prescription 2 drug abuse in the United States has become an 3 epidemic that is wreaking havoc on countless 4 families and devastating communities." 5 Do you see that? 6 A. Yes. 7 Q. It goes on to at the very bottom 8 sentence or -- excuse me -- the second-to-last 9 sentence of this paragraph starts, "This 10 Schedule III provision was." 11 Do you see that? 12 A. Yes. 13 Q. It says, "This Schedule III provision," 14 talking about the current one, "was included 15 decades ago based on long-outdated information 16 about the use of narcotics and their effects on the 17 human body. Largely due to their easy 18 availability, hydrocodone combination drugs have 19 since become subject to widespread abuse 20 nationwide." 21 Do you see that? 22 A. I do. 23 Q. And at any time are you aware that 24 Walgreens reversed its position and decided to</p>

<p style="text-align: right;">Page 262</p> <p>1 support the rescheduling or reclassification of 2 hydrocodone combination products to Schedule II? 3 A. I'm not aware of that. 4 Q. I will show you what I have marked as 5 Exhibit 26. 6 (WHEREUPON, a certain document was 7 marked as Walgreens-George Exhibit 8 No. 26: 9/10/12 e-mail string; 9 WAGMDL00517040 - 00517044.) 10 BY MR. GADDY: 11 Q. And do you recognize this as being an 12 e-mail chain between you and it looks like Debbie 13 Garza, who I think you've already told us was a 14 member of the government relations team? 15 A. Um-hmm. 16 Q. And it looks like this is a continuation 17 of that earlier e-mail chain where the -- they are 18 asking for information on the impact of this 19 potential change and how it might affect Walgreens. 20 Do you see that? 21 A. Can you repeat that again. 22 Q. Sure. Again, it looks like -- looking 23 at the subject line. 24 A. Okay.</p>	<p style="text-align: right;">Page 264</p> <p>1 time period. Total number of dispensings, I have 2 over 18 million dispensings. 3 Q. That means over 18 million prescriptions 4 for hydrocodone combination products were filled by 5 Walgreens pharmacies? 6 A. That's what this looks like. 7 Q. What's the next number indicate? 8 A. This would say how many new 9 prescriptions were received by doctors -- from 10 doctors for patients of Walgreens. 11 Q. So, over 3-1/2 million? 12 A. That's what it looks like. 13 Q. Okay. So, as you looked into how the 14 scheduling change would impact Walgreens, you saw 15 that there were over 18 million prescriptions that 16 would be impacted, at least looking back to the 17 previous calendar year? 18 A. Yeah. Yes. More specifically, I would 19 think that the people who are impacted are probably 20 somewhere between the 3 million with unique 21 prescriptions and the balance difference would be 22 the 15 million between those because I think the 23 15 million would represent the refills that a 24 Schedule III hydrocodone prescription would afford</p>
<p style="text-align: right;">Page 263</p> <p>1 Q. "APhA information request for FDA 2 hydrocodone meeting." 3 Do you see that? 4 A. Yes. 5 Q. Do you recall we have seen that subject 6 line before? 7 A. Yes. 8 Q. It looks like this is a continuation of 9 the chain where they are asking you for information 10 about Walgreens' dispensing practices with 11 hydrocodone to help them with their efforts in DC? 12 A. Yes. It looks like a continuation of 13 the previous e-mail that we reviewed. 14 Q. And it looks like in this top paragraph 15 here you tell them the total number of hydrocodone 16 combination products that were dispensed by 17 Walgreens pharmacies? 18 A. Yes. 19 Q. And how many total hydrocodone 20 combination products were dispensed for the year, 21 including the new, refill and copy? 22 A. Let me take a look here again because I 23 want to make sure it's representing a year. 24 I think it's representing a 12-month</p>	<p style="text-align: right;">Page 265</p> <p>1 them. 2 Q. Okay. Did you do anything or were you 3 asked to do anything into looking into how the 4 change of the rescheduling might impact the number 5 of prescriptions for hydrocodone combination 6 products that were filled? 7 MR. BENSINGER: Objection; vague. 8 BY THE WITNESS: 9 A. I can't remember all the specifics. I 10 think one of the -- one of the elements that I 11 think people were curious about was that refill 12 component and how that would impact patients. 13 And, so, I think if I were to work on 14 this, that would be one of the things I would be 15 working to help bring that information forward. 16 BY MR. GADDY: 17 Q. Did you do any look to see -- were you 18 requested to do any look to look at any loss of 19 sales or loss of revenue that would be incurred by 20 Walgreens if this change was put into place and it 21 was -- there was more security applied to the 22 Schedule III drugs? 23 A. I don't remember any conversations on 24 revenue for this. I think the security and storage</p>

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<p>1 of the drugs, I think that was part of the 2 conversation because from a compliance standpoint 3 we'd have to go and build out maybe additional 4 cabinet space to secure these drugs, move them from 5 the general inventory stock to, you know, our 6 narcotics cabinet.</p> <p>7 Q. Okay. I will show you what I'll mark as 8 Exhibit 27.</p> <p>9 (WHEREUPON, a certain document was 10 marked as Walgreens-George Exhibit 11 No. 27: 11/13/14 e-mail string 12 with attachment; WAGMDL0000015270 13 -00015272.)</p> <p>14 BY MR. GADDY:</p> <p>15 Q. And do you recognize this as an e-mail 16 that was sent to you?</p> <p>17 A. Yes, I do.</p> <p>18 Q. And it looks like this was sent in 19 November 2014?</p> <p>20 A. Yes.</p> <p>21 Q. And as I think you've made reference to, 22 despite Walgreens' opposition that ultimately this 23 change was passed and hydrocodone combination 24 products did become reclassified as Schedule II</p>	<p>1 A. Yes, it's his name on the title page.</p> <p>2 Q. And did you participate in or attend 3 this presentation?</p> <p>4 A. I don't remember attending this one.</p> <p>5 Let me take a look.</p> <p>6 Q. If you'll turn to the slide for me 7 entitled, it's on Page No. 4, "Hydrocodone 8 Combination Products Reschedule."</p> <p>9 A. Okay.</p> <p>10 Q. Do you see where I am?</p> <p>11 A. Yes.</p> <p>12 Q. It says, "The State of New York 13 rescheduled hydrocodone containing products to a 14 C-II in February of 2013. Since this time we have 15 seen a drop in HCP prescriptions filled of 29.2%." 16 Do you see that?</p> <p>17 A. Yes.</p> <p>18 Q. And lower prescriptions filled means 19 less revenue for Walgreens, correct?</p> <p>20 MR. BENSINGER: Objection; foundation.</p> <p>21 BY THE WITNESS:</p> <p>22 A. I think there is a number of factors 23 that come into play when it comes to revenue for 24 Walgreens. So, I don't know if I can categorically</p>
<p>1 drugs, correct?</p> <p>2 A. The hydrocodone drugs products, 3 combination products, were rescheduled from 4 Schedule III to Schedule II.</p> <p>5 Q. Okay. And Walgreens continues to 6 dispense those drugs?</p> <p>7 A. Yes, we do.</p> <p>8 Q. Continues to carry them within their 9 pharmacies?</p> <p>10 A. Yes, we do.</p> <p>11 Q. Continues to fill prescriptions for 12 them?</p> <p>13 A. Yes, you know, generally speaking.</p> <p>14 Q. And this is an e-mail from Mr. Bratton 15 to you with -- where he says, "I appended the 16 slides for the HCP reschedule impact."</p> <p>17 Do you see that?</p> <p>18 A. I do see that.</p> <p>19 Q. And if you turn to the first page of the 20 slide show, you see that it says, "Chicago 21 Government Relations Meeting"?</p> <p>22 A. I do see that, yes.</p> <p>23 Q. And it looks like this presentation was 24 primarily given by Rex Swords?</p>	<p>1 say that.</p> <p>2 BY MR. GADDY:</p> <p>3 Q. Well, there is less prescriptions being 4 filled, correct?</p> <p>5 A. That's correct.</p> <p>6 Q. And Walgreens gets paid when 7 prescriptions are filled, correct?</p> <p>8 A. That's correct.</p> <p>9 Q. And it looks like there is about a 30% 10 drop just in the New York stores based on their 11 change in February 2013 of prescriptions getting 12 filled, correct?</p> <p>13 A. That's right.</p> <p>14 Q. So, Walgreens in New York is getting 15 paid 30% less than they were before as it relates 16 to HCP prescriptions, correct?</p> <p>17 MR. BENSINGER: Objection; foundation, calls 18 for speculation.</p> <p>19 BY THE WITNESS:</p> <p>20 A. Yeah, I mean, the example I want to tell 21 you, there is probably prescriptions that Walgreens 22 fills that they lose money on. So, I don't know 23 how the math ultimately would work out unless I 24 have access to that information.</p>

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<p>1 So, theoretically, if you are filling a 2 prescription you lose money on and you don't fill 3 as much of that medication, you might actually have 4 more revenue.</p> <p>5 BY MR. GADDY:</p> <p>6 Q. Does Walgreens lose money prescribing 7 opioids, filling opioid prescriptions?</p> <p>8 MR. BENSINGER: Objection; foundation.</p> <p>9 BY THE WITNESS:</p> <p>10 A. I don't know.</p> <p>11 BY MR. GADDY:</p> <p>12 Q. Okay. So, what you do know is that 13 prescriptions filled of hydrocodone combination 14 products in New York went down 29.2% after the 15 change was implemented there, correct?</p> <p>16 A. That's what this screen says.</p> <p>17 Q. And that would indicate that 18 approximately 30% fewer prescriptions are being 19 filled and therefore paid for than they were before 20 that change, correct?</p> <p>21 A. That's correct.</p> <p>22 Q. And if you look at it nationally, in the 23 second box there or the second column, it says, 24 "The DEA rescheduled HCPs to a C-II nationally as</p>	<p>1 Manchin, correct?</p> <p>2 A. Yeah, I think generally that's the 3 correct time frame.</p> <p>4 Q. And we just saw in these other documents 5 that we just looked at that after this passed 6 ultimately the number of HCP prescriptions filled 7 in Walgreens stores went down, correct?</p> <p>8 A. Yes.</p> <p>9 Q. And I'm showing you what I've marked as 10 Exhibit 28, which you see at the top right-hand 11 corner it indicates this is a lobbying report?</p> <p>12 A. Okay.</p> <p>13 Q. Are you familiar with these forms?</p> <p>14 A. No, I've never seen one before.</p> <p>15 Q. Okay. Let's go through it fairly 16 quickly. In the box in the top middle of the 17 page do you see it says "Registrant Name"? It says 18 "Organization or lobbying firm"?</p> <p>19 A. Okay.</p> <p>20 Q. Do you see that?</p> <p>21 A. Yes.</p> <p>22 Q. And it says Walgreens Corporation?</p> <p>23 A. I do see that.</p> <p>24 Q. And then it has an address there, and</p>
<p>Page 271</p> <p>1 of October 2014. Since the reschedule we have seen 2 a drop in HCP prescriptions of 20.6%."</p> <p>3 Do you see that?</p> <p>4 A. Yes.</p> <p>5 Q. Again, any revenue that Walgreens was 6 making off of hydrocodone combination products has 7 gone down by at least 20.6% based on that change, 8 correct?</p> <p>9 MR. BENSINGER: Objection; foundation.</p> <p>10 BY THE WITNESS:</p> <p>11 A. If there was revenue generated from 12 these prescriptions, then there would be a decrease 13 up to 20.6% I assume.</p> <p>14 BY MR. GADDY:</p> <p>15 Q. Okay. I will show you what I will mark 16 as Exhibit 28.</p> <p>17 (WHEREUPON, a certain document was 18 marked as Walgreens-George Exhibit 19 No. 28: Lobby Report; 20 P-WAG-00040.)</p> <p>21 BY MR. GADDY:</p> <p>22 Q. You saw from those earlier documents 23 that it was late 2012 and into 2013 that these 24 amendments and bills were being proposed by Senator</p>	<p>Page 273</p> <p>1 then in the middle of the page it says "Type of 2 Report."</p> <p>3 Do you see that?</p> <p>4 A. Yes.</p> <p>5 Q. And it says that this is the year 2013 6 and it's the quarter 1 box is checked.</p> <p>7 Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. And then on the "Income or Expense," on 10 the right-hand side, under "Organization," it says, 11 "Expense relating to lobbying activities for this 12 reporting period were."</p> <p>13 Do you see that?</p> <p>14 A. I do.</p> <p>15 Q. And it indicates there that Walgreens 16 spent \$590,000 lobbying in the first quarter of 17 2013.</p> <p>18 Do you see that?</p> <p>19 A. Yes, I do.</p> <p>20 Q. And as you turn the page, so that we are 21 looking at page 2 of 24, if you look at the very 22 bottom.</p> <p>23 A. Okay.</p> <p>24 Q. Do you see it says "Lobbying Activity"</p>

<p style="text-align: right;">Page 274</p> <p>1 at the top?</p> <p>2 A. Yes.</p> <p>3 Q. And then do you see in the box there,</p> <p>4 there is an entry for which specific bill is being</p> <p>5 lobbied?</p> <p>6 A. Yes.</p> <p>7 Q. Do you see that?</p> <p>8 A. Um-hmm.</p> <p>9 Q. It indicates, "Senate 621 and HR 1285,</p> <p>10 the Safe Prescribing Act of 2013, all provisions</p> <p>11 regarding amendment of the Controlled Substance Act</p> <p>12 to make any substance containing hydrocodone a</p> <p>13 Schedule II drug."</p> <p>14 Do you see that?</p> <p>15 A. Yes, I do.</p> <p>16 Q. And while there may have been other</p> <p>17 bills or Senate or House bills that were lobbied</p> <p>18 on, this was one of the bills that at least in the</p> <p>19 first quarter of 2013 Walgreens spent \$590,000</p> <p>20 lobbying on, correct?</p> <p>21 A. This was --</p> <p>22 MR. BENSINGER: Objection; foundation and</p> <p>23 object to the lawyer testimony.</p> <p>24 BY MR. GADDY:</p>	<p style="text-align: right;">Page 276</p> <p>1 Q. And if you turn the page one time so</p> <p>2 that you are at 8 of 24, do you see that again one</p> <p>3 of the bills that they spent over \$400,000 lobbying</p> <p>4 against was again the Safe Prescribing Act of 2013,</p> <p>5 all provisions regarding the amendment of the</p> <p>6 Controlled Substance Act to make any substance</p> <p>7 containing hydrocodone a Schedule II drug.</p> <p>8 Do you see that?</p> <p>9 A. I do see that in the document.</p> <p>10 Q. If you go down under No. 17 it asks you</p> <p>11 who you lobbied, and it's entered the U.S. House of</p> <p>12 Representatives and the U.S. Senate.</p> <p>13 Do you see that?</p> <p>14 A. I do see that.</p> <p>15 Q. And then down below that it lists the</p> <p>16 name of the individuals that are actually doing the</p> <p>17 lobbying. And you see there listed, among other</p> <p>18 folks, Debbie Garza who you were trading some</p> <p>19 e-mails with on this topic?</p> <p>20 A. That's correct.</p> <p>21 Q. If you turn with me, please, to page 14</p> <p>22 of 24. Do you see the lobbying report for the</p> <p>23 third quarter of 2013 for the Walgreens</p> <p>24 Corporation?</p>
<p style="text-align: right;">Page 275</p> <p>1 Q. I don't know if -- I don't know if we</p> <p>2 got your answer or not.</p> <p>3 You see that this is one of the bills</p> <p>4 that was being lobbied on in the first quarter of</p> <p>5 2013 by Walgreens?</p> <p>6 A. The document, that's what it looks like</p> <p>7 it indicates here.</p> <p>8 Q. And we know that Walgreens was against</p> <p>9 that reclassification from everything we have</p> <p>10 looked at, correct?</p> <p>11 A. Yeah, we had concerns with the</p> <p>12 implications of that drug class change.</p> <p>13 Q. If you turn to page 7 of 24, do you see</p> <p>14 again a lobbying report and if we look in the</p> <p>15 middle again for Walgreens Corporation in the</p> <p>16 middle of the page for the second quarter of 2013.</p> <p>17 Do you see that?</p> <p>18 A. We are on page 7 of 24. Second quarter,</p> <p>19 yes.</p> <p>20 Q. Okay. And if we look down in the box in</p> <p>21 the bottom right of the page, do you see that</p> <p>22 during this quarter Walgreens spent \$410,000</p> <p>23 lobbying?</p> <p>24 A. I do see that.</p>	<p style="text-align: right;">Page 277</p> <p>1 A. I do.</p> <p>2 Q. And if you look down in the bottom right</p> <p>3 box, how much did Walgreens spend lobbying during</p> <p>4 this quarter?</p> <p>5 A. It says \$580,000.</p> <p>6 Q. And if you turn the page again, do you</p> <p>7 again see that it was the same bill, the Safe</p> <p>8 Prescribing Act of 2013 and all provisions</p> <p>9 regarding the amendment of the CSA to make any</p> <p>10 substance containing hydrocodone a Schedule II drug</p> <p>11 was again a bill that was lobbied against by</p> <p>12 Walgreens?</p> <p>13 A. I do.</p> <p>14 Q. And, again, you see that Ms. Garza is</p> <p>15 listed there along with other folks in the</p> <p>16 government relations department?</p> <p>17 A. I do.</p> <p>18 Q. And the last one we'll look at is</p> <p>19 page 20 of 24. Do you see the fourth quarter of</p> <p>20 2013 and the lobbying report for that?</p> <p>21 A. I do.</p> <p>22 Q. How much was spent by Walgreens</p> <p>23 Corporation in the fourth quarter of 2013 on all</p> <p>24 lobbying activities?</p>

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<p>1 MR. BENSINGER: Objection; foundation.</p> <p>2 BY THE WITNESS:</p> <p>3 A. On page 20 of 24.</p> <p>4 BY MR. GADDY:</p> <p>5 Q. Correct.</p> <p>6 A. The document references quarter 4, I see</p> <p>7 \$1 million figure. Is that what you're asking</p> <p>8 about?</p> <p>9 Q. Correct.</p> <p>10 A. Okay.</p> <p>11 Q. The document indicates that Walgreens</p> <p>12 spent a million dollars lobbying in the fourth</p> <p>13 quarter of 2013?</p> <p>14 A. Oh, I understand.</p> <p>15 Q. Do you see that?</p> <p>16 A. Yeah, the expense relates to lobbying</p> <p>17 activities during that period was \$1 million.</p> <p>18 Q. Okay. And then if you turn with me to</p> <p>19 page 22 of 24, do you see there, there is two</p> <p>20 separate entries.</p> <p>21 Do you see that?</p> <p>22 A. Yes.</p> <p>23 Q. And the second entry again applies to</p> <p>24 the Safe Prescribing Act and the provisions looking</p>	<p>1 Q. And hydrocodone combination products,</p> <p>2 which, as we saw, are the most abused prescription</p> <p>3 drug, are now subject to a higher level of</p> <p>4 security, correct?</p> <p>5 A. Yeah, hydrocodone being a Schedule II</p> <p>6 drug, there are additional restrictions in place</p> <p>7 for Schedule II drugs in comparison to</p> <p>8 Schedule IIIIs.</p> <p>9 Q. And don't you agree that that's a good</p> <p>10 thing that drugs like hydrocodone combination</p> <p>11 products, which, as we saw, were the most abused</p> <p>12 prescription drugs, are subject to the higher level</p> <p>13 of security requirements?</p> <p>14 MR. BENSINGER: Objection; argumentative. You</p> <p>15 may answer.</p> <p>16 BY THE WITNESS:</p> <p>17 A. I think that -- I think that hydrocodone</p> <p>18 products were already a Schedule III category, that</p> <p>19 with proper education and training, probably would</p> <p>20 have been able to allow patients to safely have</p> <p>21 those medications and have access to them.</p> <p>22 I can't comment on what's most</p> <p>23 appropriate or not. I don't know if that's in my</p> <p>24 general, you know, area of expertise.</p>
<p style="text-align: center;">Page 279</p> <p>1 to make hydrocodone combination products a</p> <p>2 Schedule II drug.</p> <p>3 Do you see that?</p> <p>4 A. Yes, I do.</p> <p>5 Q. Again, do you see Ms. Garza listed</p> <p>6 there?</p> <p>7 A. I do.</p> <p>8 Q. Would you agree with me from looking at</p> <p>9 this lobbying disclosure that Walgreens made not</p> <p>10 only a time investment from the research that you</p> <p>11 did and the other folks, but also a financial</p> <p>12 investment in fighting the reclassification of</p> <p>13 hydrocodone combination products from III to II?</p> <p>14 A. I would say they made a significant</p> <p>15 investment in speaking with Legislators on those</p> <p>16 proposed bills.</p> <p>17 Q. And ultimately, in spite of Walgreens'</p> <p>18 efforts, that bill did pass and hydrocodone</p> <p>19 products were rescheduled?</p> <p>20 A. That's correct.</p> <p>21 Q. And Walgreens continues to be in</p> <p>22 business and fill prescriptions for hydrocodone</p> <p>23 combination products?</p> <p>24 A. Yes.</p>	<p style="text-align: center;">Page 281</p> <p>1 BY MR. GADDY:</p> <p>2 Q. Okay. Well, you recall when we kind of</p> <p>3 started going down this line that one of the first</p> <p>4 things we looked at was a GAO report to Congress</p> <p>5 from back in 2002 about PDMPs that talked about how</p> <p>6 drugs such as hydrocodone combination products were</p> <p>7 prone to addiction, abuse and death. Do you recall</p> <p>8 that?</p> <p>9 A. I remember that, yes.</p> <p>10 Q. So, this issue has been present going</p> <p>11 back to at least 2002, correct?</p> <p>12 A. That's what it looks like from the</p> <p>13 document.</p> <p>14 Q. And -- but yet here in 2013 Walgreens</p> <p>15 spent over \$2 million during the year and at least</p> <p>16 some of that money was spent on lobbying against</p> <p>17 this change, correct?</p> <p>18 A. Working with legislatures -- legislators</p> <p>19 on the bill.</p> <p>20 Q. If this has been such a big problem,</p> <p>21 there has been reports to Congress on it back to</p> <p>22 2002, don't you think that maybe the time for</p> <p>23 providing education to patients maybe is over and</p> <p>24 it's time to make a bigger change?</p>

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<p>1 MR. BENSINGER: Objection. This is argument.</p> <p>2 BY THE WITNESS:</p> <p>3 A. Yeah, I don't know if that's as simple</p> <p>4 as you make it out to be.</p> <p>5 But I think there is -- everyone has a</p> <p>6 role in helping address this issue, and I think by</p> <p>7 working together we can help improve the situation</p> <p>8 as it is.</p> <p>9 MR. BENSINGER: Mr. Gaddy, we have been going</p> <p>10 for about an hour. Can we go off the record for a</p> <p>11 short break now?</p> <p>12 MR. GADDY: That's fine. I think I only have</p> <p>13 about 15, 20 minutes left, just so you know.</p> <p>14 THE VIDEOGRAPHER: We're off the record at</p> <p>15 3:23 p.m.</p> <p>16 (WHEREUPON, a recess was had</p> <p>17 from 3:23 to 3:32 p.m.)</p> <p>18 THE VIDEOGRAPHER: We are back on the record</p> <p>19 at 3:33 p.m.</p> <p>20 BY MR. GADDY:</p> <p>21 Q. Mr. George, we talked a little bit</p> <p>22 earlier today about the National Association of</p> <p>23 Chain Drug Stores. Do you recall that generally?</p> <p>24 A. I think so.</p>	<p>1 for names and task assignments."</p> <p>2 Do you see that?</p> <p>3 A. I do.</p> <p>4 Q. And previously today I had asked you if</p> <p>5 you were ever a member of any group or committee on</p> <p>6 the NACDS, and I think you told me no; and maybe</p> <p>7 this is just something different, but it looks like</p> <p>8 at this point in time you were assigned to a</p> <p>9 working group at NACDS.</p> <p>10 Do you see that?</p> <p>11 A. Yes. I do see that. Curious. Trying</p> <p>12 to figure out exactly how we would have conducted</p> <p>13 any discussions, if there was any formal working</p> <p>14 group setting.</p> <p>15 Q. Let me ask you this question. Is this</p> <p>16 just something that you forgot about or is this</p> <p>17 something that you put into a different category</p> <p>18 that wasn't encompassed by my question earlier?</p> <p>19 A. Minimally it's something I forgot about,</p> <p>20 but it could be something that I perceived as a</p> <p>21 different category. It depends on how -- based</p> <p>22 upon this e-mail, how did things develop I think,</p> <p>23 you know.</p> <p>24 Q. Outside of this DEA interim solution</p>
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<p>1 Q. Okay. And that's a trade association</p> <p>2 that represents pharmacies and of which Walgreens</p> <p>3 is a member, correct?</p> <p>4 A. That's correct.</p> <p>5 Q. And let me just show you what's been</p> <p>6 marked as Exhibit 29.</p> <p>7 (WHEREUPON, a certain document was</p> <p>8 marked as Walgreens-George Exhibit</p> <p>9 No. 29: 8/7/12 e-mail string;</p> <p>10 WAGMDL00331103 - 00331110.)</p> <p>11 BY MR. GADDY:</p> <p>12 Q. Do you recognize this as being an</p> <p>13 August 7, 2012 e-mail from Suzanne Hansen to a</p> <p>14 bunch of individuals, including you?</p> <p>15 Do you see that?</p> <p>16 A. Yes.</p> <p>17 Q. And the subject of the e-mail is "NACDS</p> <p>18 Pharmacy Operations Committee - Action Required:</p> <p>19 DEA Interim Solution."</p> <p>20 Do you see that?</p> <p>21 A. Yes.</p> <p>22 Q. And the e-mail says, "All, you have been</p> <p>23 selected to serve on various working groups at</p> <p>24 NACDS to work on a DEA data solution. See below</p>	<p>1 working group, do you recall any other working</p> <p>2 groups that you were on for -- with NACDS?</p> <p>3 A. I don't remember any, no.</p> <p>4 Q. Okay. If you see there in the -- it</p> <p>5 looks like second line down, that you were assigned</p> <p>6 to data intake.</p> <p>7 Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. And do you recall participating in this</p> <p>10 working group?</p> <p>11 A. At this moment I actually do not, but as</p> <p>12 I review materials, maybe it becomes more apparent.</p> <p>13 Q. Okay. It goes on below the assignments.</p> <p>14 It says, "I wanted to share with you the latest set</p> <p>15 of notes on the DEA solution and ask for feedback</p> <p>16 in any areas you see fit as you review. Please</p> <p>17 send your comments to me or Mary Jo Ward and we</p> <p>18 will collect the feedback to send back to NACDS."</p> <p>19 Do you see that?</p> <p>20 A. Yes.</p> <p>21 Q. Do you recall what is meant by the</p> <p>22 "DEA solution" or the "DEA data solution"?</p> <p>23 A. I don't recall at this moment. Maybe</p> <p>24 something will trigger my memory as I work through</p>

<p style="text-align: right;">Page 286</p> <p>1 this document.</p> <p>2 Q. Let's look at Exhibit No. 30. This is</p> <p>3 going to be your response to this e-mail chain.</p> <p>4 (WHEREUPON, a certain document was</p> <p>5 marked as Walgreens-George Exhibit</p> <p>6 No. 30: 8/10/12 e-mail string;</p> <p>7 WAGMDL00334305 - 00334308.)</p> <p>8 BY MR. GADDY:</p> <p>9 Q. And do you see this is a response to</p> <p>10 that below e-mail about three days later from you?</p> <p>11 Do you see that?</p> <p>12 A. Yes.</p> <p>13 Q. And let's look, you write, "Suzanne, I</p> <p>14 reviewed the various solutions in the documents you</p> <p>15 provided. Attached are some comments related to</p> <p>16 these solutions as well as suggestions on other</p> <p>17 business partners that may be able to provide</p> <p>18 similar solutions."</p> <p>19 Do you see that?</p> <p>20 A. Yes.</p> <p>21 Q. Is any of this jogging your memory?</p> <p>22 A. A little bit. I could venture to guess</p> <p>23 a little bit more so. I still don't know if I</p> <p>24 actively participated in a committee, but I might</p>	<p style="text-align: right;">Page 288</p> <p>1 prescription drug monitoring program to review that</p> <p>2 patient's two different controlled substance</p> <p>3 histories.</p> <p>4 So, looking at a way I think to maybe</p> <p>5 develop a solution that could provide a pharmacist</p> <p>6 with a more, you know, consolidated data, kind of</p> <p>7 almost like a one-stop shop, so to speak. I think</p> <p>8 that was really what was in question here.</p> <p>9 And I think there is one that would have</p> <p>10 been based upon some data provided by an</p> <p>11 organization, by IMS, one by the NABP PMP</p> <p>12 Interconnect program, which they were looking to</p> <p>13 connect various state databases so that there would</p> <p>14 be more interstate data sharing.</p> <p>15 The other one had to do with that</p> <p>16 scoring of patient's controlled substance history</p> <p>17 that I believe Ohio might have initially put forth</p> <p>18 as part of that pilot we talked about earlier.</p> <p>19 And then the -- is that the last one?</p> <p>20 There might have been one more that I might have</p> <p>21 missed here. I thought it said Surescripts.</p> <p>22 Oh, the first one, I'm sorry, was</p> <p>23 Surescripts, which is I think the entity that helps</p> <p>24 facilitate data exchange when it comes to</p>
<p style="text-align: right;">Page 287</p> <p>1 have provided feedback to the actual committee</p> <p>2 based upon some of the notes within this document</p> <p>3 or solution that were presented in this document.</p> <p>4 Q. What's your understanding of what you</p> <p>5 were looking into here?</p> <p>6 A. Is it okay if I review --</p> <p>7 Q. Of course.</p> <p>8 A. -- some of this stuff?</p> <p>9 Looking at the document, the Exhibit 29</p> <p>10 that you presented, and looking at the topics here,</p> <p>11 it appears that from my recollection, and, again,</p> <p>12 looking at 2012 as the reference date, at that</p> <p>13 point I think one of the things that Walgreens was</p> <p>14 struggling with is how do we -- how do we I think</p> <p>15 provide more meaningful information to the</p> <p>16 pharmacist. And there were a couple different</p> <p>17 proposed solutions based upon the, I think, the</p> <p>18 primary source of that information, so to speak.</p> <p>19 So, for example, I believe in 2012 there</p> <p>20 wasn't as much data integration between state to</p> <p>21 state. So, if a pharmacist, for example, in the</p> <p>22 State of Illinois received a prescription from</p> <p>23 pharmacists in another state, they may need to go</p> <p>24 to two different websites for each respective state</p>	<p style="text-align: right;">Page 289</p> <p>1 e-prescribing.</p> <p>2 Q. Why was it called the DEA data solution?</p> <p>3 A. That I don't know.</p> <p>4 Q. It looks like, and I'm going back to I</p> <p>5 think I'm on No. 30, and your e-mail back to</p> <p>6 Suzanne, you say, "I reviewed the various solutions</p> <p>7 presented in the documents provided. Attached are</p> <p>8 some comments related to these solutions as well as</p> <p>9 suggestions on other business partners."</p> <p>10 So, would it be fair to say that you</p> <p>11 reviewed the information about those different</p> <p>12 vendors or service providers and then offered some</p> <p>13 feedback to the folks at Walgreens?</p> <p>14 A. Yes, that makes sense.</p> <p>15 Q. Okay. Do you know who Suzanne is or</p> <p>16 what her role was?</p> <p>17 A. Yeah, I think at the time she was a vice</p> <p>18 president with the company. It's hard for me to</p> <p>19 figure out who was directly reporting to her at the</p> <p>20 time. But she was a vice president.</p> <p>21 Q. Okay. Why was it that you were asked to</p> <p>22 be the one to review this, do you know?</p> <p>23 MR. BENSINGER: Objection; foundation.</p> <p>24 BY THE WITNESS:</p>

<p style="text-align: right;">Page 290</p> <p>1 A. I don't know why she asked me to look at 2 this, but I had done some work with NABP in the 3 past I think trying to set up the integration 4 between state PMPs and participate in some of those 5 discussions.</p> <p>6 So, I probably had a little more 7 background in some of the nuances on a couple of 8 these solutions.</p> <p>9 BY MR. GADDY:</p> <p>10 Q. Okay. I'm going to show you what I will 11 mark as Exhibit 31, which I believe is going to be 12 a pitch that you were made or it was made to you by 13 the folks at IMS.</p> <p>14 (WHEREUPON, a certain document was 15 marked as Walgreens-George Exhibit 16 No. 31: 8/30/12 e-mail string with 17 attachment; WAGMDL00678523 - 18 00678540.)</p> <p>19 BY MR. GADDY:</p> <p>20 Q. What is IMS?</p> <p>21 A. They're not currently known as IMS. I 22 believe they are currently known as IQVIA. I can't 23 say I'm an expert on what they bring, but I 24 understand that a number of entities may report</p>	<p style="text-align: right;">Page 292</p> <p>1 A. I don't remember if we had this specific 2 meeting that's kind of being referred to, but I do 3 believe we did meet at some point.</p> <p>4 Q. If you go back to the e-mail in the very 5 first page, the very top e-mail, it says, "Tomson, 6 it was great meeting you yesterday. Attached is a 7 deck that describes the different deployment 8 options for the IMS Controlled Substance Ratings 9 Solution."</p> <p>10 Do you see that?</p> <p>11 A. Yes.</p> <p>12 Q. Is this material that you would have 13 reviewed kind of in cohort with this other 14 assignment that you had about providing feedback to 15 the Walgreens folks on which of these vendors you 16 should go with, if any?</p> <p>17 A. Yeah, this would have been the solution 18 I think that's referenced in Exhibit 29 that would 19 have been under the IMS category.</p> <p>20 Q. Okay. Did you have meetings similar to 21 this one and were you provided material such as 22 this for those other folks as well?</p> <p>23 MR. BENSINGER: Objection; vague.</p> <p>24 BY THE WITNESS:</p>
<p style="text-align: right;">Page 291</p> <p>1 deidentified data into this organization so that 2 they can provide industry level reporting 3 essentially.</p> <p>4 Q. Okay. If you look at this document I 5 just put in front of you, it's an e-mail chain from 6 August of 2012.</p> <p>7 Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. It looks like it's between you and an 10 individual who at the very least has an IMS Health 11 e-mail address, correct?</p> <p>12 A. That's correct.</p> <p>13 Q. If you go to the bottom of the second 14 page, it looks like it's the first reach-out to 15 you, and then in the third page it says, "Hossam 16 will be at Walgreens tomorrow at 2 p.m. and staying 17 until Thursday afternoon. We'd like to get time to 18 follow up on your questions regarding the patient 19 capabilities of the controlled substance reporting 20 system."</p> <p>21 Do you see that?</p> <p>22 A. Yes.</p> <p>23 Q. And ultimately do you recall that you 24 ended up having this meeting with the IMS folks?</p>	<p style="text-align: right;">Page 293</p> <p>1 A. I don't know if -- I might have already 2 had some background knowledge on some of the other 3 ones. This, from my recollection, was something 4 newer than this entity was pursuing. So, I think I 5 need to have a more in-depth conversation to 6 understand what angle they were looking at.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. You mean this was a newer product for 9 IMS?</p> <p>10 A. Yes. That's my recollection.</p> <p>11 Q. If you'd turn with me -- it doesn't look 12 like these are numbered, but I am on the first 13 page of the PowerPoint presentation.</p> <p>14 A. First page. Okay.</p> <p>15 Q. You see it says "IMS CS." You 16 understand that to be controlled substance?</p> <p>17 A. Yes.</p> <p>18 Q. "Ratings Solution." It says, "An 19 industry solution to an important societal issue."</p> <p>20 Do you see that?</p> <p>21 A. Yes.</p> <p>22 Q. And it looks like the rest of the slides 23 are numbered, so now I'm at slide 2.</p> <p>24 A. Yep.</p>

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<p>1 Q. And it says, "Actions taken in Florida 2 unravel symptoms of a nationwide issue: IMS 3 analysis."</p> <p>4 Do you see that?</p> <p>5 A. I do see that.</p> <p>6 Q. And it looks like at the top three boxes 7 indicates a couple of specific incidences that I 8 guess they are referencing happened in Florida and 9 the bottom six boxes looks like it gives some 10 specific data points from Florida.</p> <p>11 Do you see that?</p> <p>12 A. Yes.</p> <p>13 Q. And is it your understanding that, 14 similar to the Florida PMP that we talked about 15 earlier, that these would be data points that were 16 gathered from all pharmacies, not just Walgreens 17 pharmacies?</p> <p>18 MR. BENSINGER: Objection; foundation.</p> <p>19 BY THE WITNESS:</p> <p>20 A. Yeah, I wouldn't know how they compiled 21 it.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. Essentially what IMS is representing to 24 you that they can provide you the type of data that</p>	<p>1 pharmacies with large number of patients and 2 doctors that generate high ratings.</p> <p>3 Do you see that?</p> <p>4 A. On page 7?</p> <p>5 Q. Correct.</p> <p>6 A. Yes, I do see that.</p> <p>7 Q. And do you know whether or not Walgreens 8 had the ability to determine this data for 9 themselves?</p> <p>10 MR. BENSINGER: Objection; foundation.</p> <p>11 BY THE WITNESS:</p> <p>12 A. Yeah, I don't think they would have the 13 information at least to the extent that IMS is 14 providing, but yeah.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. Did you make a recommendation that 17 Walgreens utilize IMS or any other of these 18 systems?</p> <p>19 A. I think there is probably pros and cons 20 for each one. I don't remember exactly what my 21 recommendation for IMS was.</p> <p>22 Q. Did Walgreens ultimately utilize one of 23 these systems?</p> <p>24 MR. BENSINGER: Objection; foundation.</p>
<p>1 you're seeing in these boxes about, for example, 2 the number of patients who were filled multiple 3 C-II prescriptions. Do you see that in the box on 4 the left-hand side?</p> <p>5 A. Yes, I see that.</p> <p>6 Q. And next to that in the middle of the 7 page, the number of prescriptions paid for in cash?</p> <p>8 A. I do see that.</p> <p>9 Q. And is this information that Walgreens 10 has the ability to determine for their own stores?</p> <p>11 MR. BENSINGER: Objection; foundation.</p> <p>12 BY THE WITNESS:</p> <p>13 A. I don't know. That wouldn't be 14 something I would have been involved with.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. If you turn to slide 6, it talks about 17 that this program would have the ability to 18 identify pharmacies with high ratings relative to 19 benchmarks and identify trends in controlled 20 substance of interest dispensing.</p> <p>21 Do you see that?</p> <p>22 A. I do see that.</p> <p>23 Q. And if you turn the page to the very 24 next page, it talks about how its data can identify</p>	<p>1 BY THE WITNESS:</p> <p>2 A. Do you mind if I take a look at the 3 summary again?</p> <p>4 BY MR. GADDY:</p> <p>5 Q. Sure. I don't think the answer is in 6 there, but you're welcome to look.</p> <p>7 A. Walgreens did perform some pilot, 8 internal pilot with No. 3. And I think they are in 9 the early stages of trying to implement No. 2.</p> <p>10 Q. Which number are you looking at?</p> <p>11 A. Sorry. On document Exhibit 29.</p> <p>12 Q. And you are referring to them as 2 and 13 3. Are you talking about the page numbers?</p> <p>14 A. Oh, no, sorry. Page 8 and 9.</p> <p>15 Q. Do you have -- tell me the last three 16 numbers in the bottom right-hand corner.</p> <p>17 A. Oh, sorry.</p> <p>18 Q. If you don't mind.</p> <p>19 A. 1108 and 1109.</p> <p>20 Q. Okay. So, 1108 is the NABP PMP 21 Interconnects program?</p> <p>22 A. Yes.</p> <p>23 Q. And if you don't mind telling me again, 24 that one used the pilots or how did you utilize</p>

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<p>1 this one?</p> <p>2 A. Yeah, this one is currently funded and</p> <p>3 going through design in order to implement.</p> <p>4 Q. And what was the other one?</p> <p>5 A. 1109. That was piloted in preparation</p> <p>6 for looking at No. 2 as well. I'm sorry. The</p> <p>7 previous page.</p> <p>8 Q. Sure. I got you. Okay.</p> <p>9 So, it looks like you were asked to</p> <p>10 start looking into this in August of 2012, correct?</p> <p>11 A. That's correct.</p> <p>12 Q. Between August 2012 and now, were any of</p> <p>13 these programs or any programs like this</p> <p>14 implemented by Walgreens other than the one on --</p> <p>15 ending in Bates Nos. 108 that you say has now been</p> <p>16 funded and is going through design?</p> <p>17 MR. BENSINGER: Objection; foundation.</p> <p>18 BY THE WITNESS:</p> <p>19 A. I don't know if I have all the details.</p> <p>20 There may have been something similar to the IMS</p> <p>21 solution that they were exploring or had something</p> <p>22 similar in mind.</p> <p>23 BY MR. GADDY:</p> <p>24 Q. Okay. But regardless, back in August of</p>	<p>1 happening on a national level with their patients</p> <p>2 to help inform their dispensing decisions and</p> <p>3 whether or not prescriptions for controlled</p> <p>4 substances should or should not be filled by the</p> <p>5 pharmacist, correct?</p> <p>6 A. I don't know if that's how I'd</p> <p>7 completely describe it. I think each solution</p> <p>8 brought a little bit different, you know, say, if</p> <p>9 you want to call it benefit to the process.</p> <p>10 Ultimately I think Walgreens is</p> <p>11 struggling to come up with a standardized process</p> <p>12 given that there were multiple state prescription</p> <p>13 monitoring programs and none of them were</p> <p>14 necessarily integrated, so it was tough to develop</p> <p>15 a standardized process.</p> <p>16 And, so, I think these solutions that</p> <p>17 were I think discussed were opportunities to look</p> <p>18 at something that could build a standardized</p> <p>19 process.</p> <p>20 Q. And over the last six to seven years</p> <p>21 from then to now, has Walgreens taken advantage of</p> <p>22 any of those opportunities that were presented in</p> <p>23 this program, have any of those been implemented?</p> <p>24 MR. BENSINGER: Objection; foundation.</p>
<p style="text-align: center;">Page 299</p> <p>1 2012, you were asked to look into these different</p> <p>2 options and provide your feedback, correct?</p> <p>3 A. Yes.</p> <p>4 MR. BENSINGER: Asked and answered.</p> <p>5 BY MR. GADDY:</p> <p>6 Q. And you did that and you provided your</p> <p>7 feedback here in, if not this e-mail, in the next</p> <p>8 one we looked at, correct?</p> <p>9 A. Yes, correct.</p> <p>10 Q. And you provided that feedback in</p> <p>11 August of 2012?</p> <p>12 A. That's correct.</p> <p>13 Q. And as we sit here today, you're not</p> <p>14 aware of any other program that has been</p> <p>15 implemented to date, correct?</p> <p>16 MR. BENSINGER: Objection; vague.</p> <p>17 BY THE WITNESS:</p> <p>18 A. With regards to these four solutions, I</p> <p>19 am not aware of anything that's already been</p> <p>20 implemented across the chain, for example.</p> <p>21 BY MR. GADDY:</p> <p>22 Q. Okay. And, again, this was a -- the</p> <p>23 purpose of looking into this was so that</p> <p>24 pharmacists could have more visibility on what was</p>	<p style="text-align: center;">Page 301</p> <p>1 BY THE WITNESS:</p> <p>2 A. I'm not aware of anything, again, with</p> <p>3 these four in mind. At the same time I do believe</p> <p>4 Walgreens implemented what I would call more of a</p> <p>5 manual standardized process with regards to the</p> <p>6 good faith dispensing and ensuring pharmacists do</p> <p>7 know to check the PMP.</p> <p>8 BY MR. GADDY:</p> <p>9 Q. Okay. And those were changes that I</p> <p>10 think we discussed earlier were made after the DEA</p> <p>11 investigation and settlement of 2013, correct?</p> <p>12 A. From a timeline standpoint, that's</p> <p>13 accurate.</p> <p>14 MR. GADDY: I don't have any more questions</p> <p>15 for you right now, Mr. George.</p> <p>16 MR. BENSINGER: We reserve the right to read</p> <p>17 and sign.</p> <p>18 THE VIDEOGRAPHER: We are off the record at</p> <p>19 3:55 p.m.</p> <p>20 (Time Noted: 3:55 p.m.)</p> <p>21 FURTHER DEPONENT SAITH NAUGHT.</p> <p>22</p> <p>23</p> <p>24</p>

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